



MACKAY REGIONAL COUNCIL
BUDGET 2024-2025

Community Budget Report 2024-2025



Table of contents

Mayor's Message	2
Chief Executive Officer's Message	3
Community Budget Report 2024-2025	
1. Background	4
2. Budget at a glance	5
3. Operating Result	6
4. Operating Revenue	7
– where our money comes from	
5. Operating Expenses	10
– where our money is spent	
6. Capital Works Program	11
7. Council's Balance Sheet	13
– Statement of Financial Position	
8. Key Financial Sustainability Ratios	14
Appendices	16
▪ Statement of Income and Expenses	18
▪ Statement of Financial Position	19
▪ Statement of Changes in Equity	20
▪ Statement of Cash Flow	21
▪ Key Financial Sustainability Ratios	22
▪ Capital Works Program	23



MESSAGE FROM THE MAYOR

Mayor Greg Williamson
Mackay Regional Council

This is of course the first budget adopted by the newly elected Mackay Regional Council.

Since taking office in April, the new council has had a major focus on this budget. Myself, four other returning councillors and six new councillors have had extensive briefings and discussions leading to the budget adoption.

The 2024-2025 Budget includes a rates increase of 3.6 per cent, which is in line with CPI. This continues the expressed desire of council over many years of rate increases in line with, or lower than, inflation.

To be able to manage this in a climate of escalating costs; to be able to maintain service levels; and to deliver an extensive capital program as well, is testament to the hard work of council's staff in driving efficiencies throughout of operation.

Council's 2024-2025 Operational Budget is \$313 million. It reflects a large, modern, regional local government delivering extensive services and facilities. We are forecasting a modest surplus of just over \$300,000.

As well as escalating costs, we've had to factor in an increase in depreciation costs of \$11.38 million this financial year reflecting asset revaluations and construction cost increases.

Once again, Federal Assistance Grants have been reduced, this time from \$5 million last year to \$4.5 million for 2024-2025.

Council's vision, through its Corporate Plan, is to

become the best region for liveability and livelihood. This budget is focused on delivering important initiatives towards that vision.

The Budget Capital Works Program for this year is an ambitious \$130.2 million.

The largest Capital item is \$11.7 million to continue development of one of our key projects, the Northern Beaches Community Hub. The Australian Government recently announced funding assistance of \$15 million under its Growing Regions Program for stage 1B of this key piece of infrastructure to service the rapidly growing Northern Beaches area. Stage 1B includes a library, meeting rooms and café.

There's also \$1.3 million to continue investigation work for stage two of another signature project --- the Finch Hatton Mountain Bike Project. Stage one was completed and officially opened this year and is proving to be a great asset to the Pioneer Valley and our region. And there is another \$4.6 million for ongoing City Centre and Riverside improvements.

Not all Capital Program funding is about new infrastructure though. The second biggest line item in the capital budget is \$9.2 million for culvert rehabilitation projects. That is a good example of the costs involved in the continuous renewal and replacement program to address our ageing infrastructure.

Thank you to the CEO and his team for around six months of work to present yet another solid budget for our region and thank you to the elected body for the robust discussion that delivered the governance in shaping our budget direction.

MESSAGE FROM THE CEO

Scott Owen
Mackay Regional Council



Like any Australian household, Mackay Regional Council is faced with escalating costs that must be considered when formulating its annual budget.

The 2024-2025 budget strikes a strong balance between maintaining existing service levels and delivering an extensive capital program without burdening rate payers, despite the impact of rising prices.

The forecast of a modest surplus of just over \$300,000 is financially responsible. It means we're raising only the rates revenue we believe is needed to deliver infrastructure and services for the region.

That is why we're able to keep the rates rise at 3.6 per cent, in line with CPI, while maintaining existing services. We're also able to deliver important projects as part of our Capital Works Program and at the same time include ongoing investment in asset renewal.

This budget is designed to ensure we are well positioned to meet the needs of the community, not only now, but well into the future as part of our Long-Term Financial Forecast.

Our staff, from directors on the Executive Leadership Team (ELT) to the Senior Leadership Team (SLT) and key Financial Services personnel have worked extremely hard on this budget.

Preparations began before the new council was elected and the budget was then refined through extensive briefings and discussions with the Mayor and Councillors.

Key operating initiatives in 2024-2025 include the

continuation of Works For Queensland (Round Five), the Roads to Recovery Program and the Federal Assistance Grants projects.

The budget includes development of a place strategy to support the City Centre and Waterfront Planning.

There is also signage upgrades as part of implementation of our RV Strategy and the continuation of our Young Mayors Program.

Council's capital program investment is again substantial. As well as \$11.7 million for the Northern Beaches Community Hub and \$1.3 million for stage two planning of the Finch Hatton Mountain Bike Trails project, other key pieces of infrastructure have been budgeted for.

These include \$5.9 million for the Bloomsbury water supply scheme, \$5 million for the Paradise and Webberley streets intersection signalisation, and \$3.8 million for stage two of the Resource Centre of Excellence.

There is also \$7.6 million for trunk drainage projects, \$6.8 million for sewerage pump stations, \$6.7 million for pavement improvement projects, \$5.7 million for bridge projects and \$5.5 million for flood protection works.

Thank you to everyone who has worked so hard on this budget, framed against a difficult backdrop of a skills shortage and escalating costs. Everyone's contribution, from Directors, Executive Managers and staff to the Mayor and Councillors, has produced an excellent budget we're confident we can deliver.



Community Budget Report 2024-2025

1.

BACKGROUND

Under the requirements of the Local Government Regulation 2012, council's budget for each financial year must include financial statements for the year for which it was prepared and the next two financial years. Budgeted financial statements within this report include:

■ **Statement of Income and Expenses**

Presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent).

■ **Statement of Financial Position**

Identifies the predicted financial position of council, including assets (what we own), liabilities (what we owe) and equity (our net worth).

■ **Statement of Changes in Equity**

Reports changes to equity (council's assets net of liabilities).

■ **Statement of Cash Flow**

Reports how revenue received, and expenses paid, impact council's cash balances.

■ **Key Financial Sustainability Ratios**

Key financial indicators that measure council's financial performance.

2.

BUDGET AT A GLANCE

This budget responds to the Corporate Plan which provides the strategic direction and the Operational Plan which outlines key objectives and deliverables for council. 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.

The 2024-2025 total expenditure budget is over \$442 million, of which \$130 million will be spent on capital projects. Some significant highlights of the budget are:

- A budgeted surplus of \$302,000.
- Council's planned spend on capital projects is higher compared to recent year capital spend profiles.
- Council's past debt reduction strategy has now put it in a healthy position to start borrowing again to support increased capital expenditure. Council plans to borrow \$20 million in new loans to fund increased capital expenditure.
- Ongoing investment in the economic development program remains consistent with growth and investment in the Mackay region a key council priority.
- Council continues to keep rates increases at current inflation levels with a 3.6 per cent average increase, aligned to 3.6 per cent March 2024 Quarter CPI, Australia.
- Continuing commitment to community funding support, sponsorship, and grants of \$2 million and \$1.1 million for continuing the very successful event and conference attraction.
- Council's cash balance is forecast to reduce in line with balances projected in the LTFF. This balance increased in recent years in anticipation of future investment in capital infrastructure growth.
- In 2023-2024 council introduced valuation average to reduce the financial impact on ratepayers across the municipality due to property valuation increases. The 2024-2025 financial year is the final year of the averaged valuation process.
- Council is continuing with rates concessions to pensioners (in addition to the State Government rebates), community groups and sporting clubs. Details on concessions provided by council to ratepayers are provided on council's website.



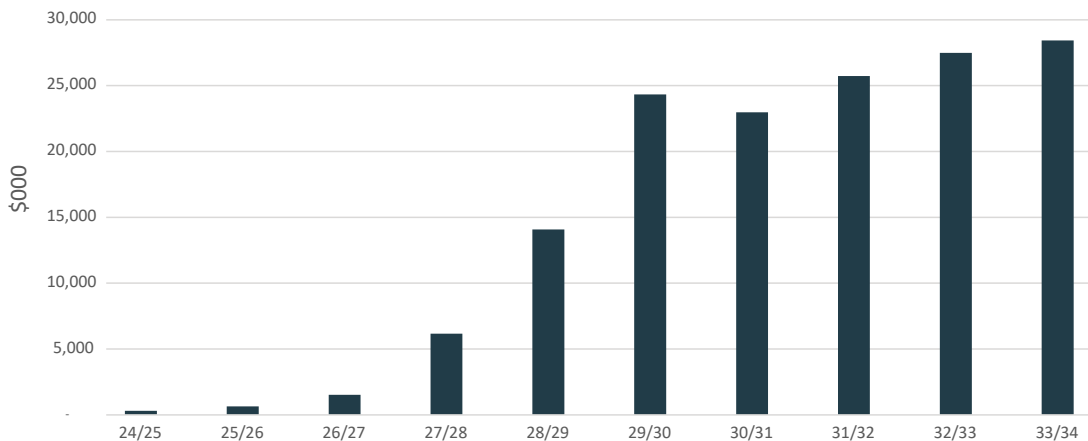
3.

OPERATING RESULT

Council is projecting a minor surplus operating result for the 2024-2025 financial year. Any operating surpluses achieved are used to fund capital expenditure or reduce debt.

Rates are planned to increase by 3.6 per cent on average for the 2024-2025 year, council is forecasting reductions to 2.5 per cent in future years to align with future year CPI projections. Council is committed to investing in current infrastructure with growth forecast into the future. This is supported by a high level of capital expenditure in 2024-2025 and into the future. The forecast operating result over the next 10 years is as follows:

Operating Result



4.

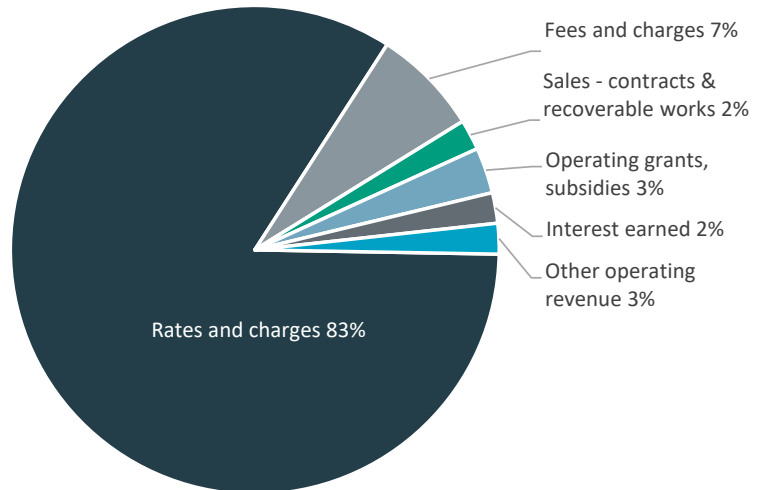
OPERATING REVENUE

Where our money comes from

Council is forecasting to receive \$313 million operating revenue in 2024-2025, of which 83 per cent is generated from rates and around 7 per cent is received from fees and charges.

Investment earnings are maximised to supplement revenue sources by investing surplus cash with Australian deposit-taking institutions. Council's operating revenue consists of the following:

Operating Revenue 2024-2025



NET RATES \$258.9M

The percentage increase in total rates paid will vary from property to property (particularly for non-residential properties) depending on the proportion of each of the applicable charges and the changes to the valuations of the individual property. The average residential ratepayer will see a 3.6 per cent increase in rates and charges, aligned with the March 2024, CPI quarter release (excluding discounts and rebates).

The percentage change in rates and utility charges compared with the previous budget (excluding discounts and rebates) are as follows:

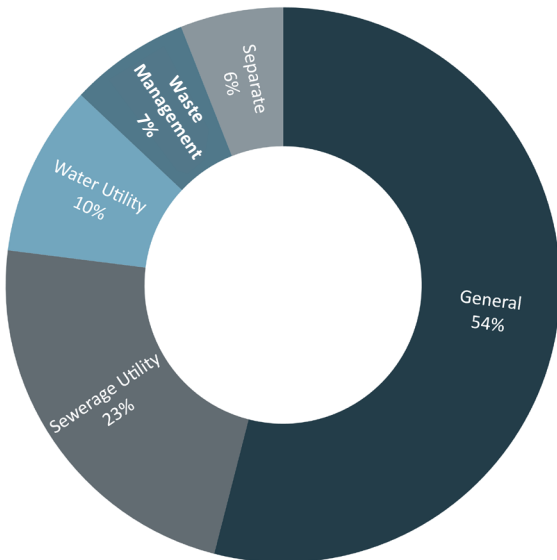
Change in Rates and Utility Charges	
General Rates	3.6%
Utility Charges	
Sewerage	3.6%
Water Utility (factor charge and consumption charge)	3.6%
Trade Waste	3.6%
Waste Management	3.6%
Waste Facilities Operations	3.6%
Separate Charges	
Natural Environment Levy	3.6%
Roads Improvement Levy	3.6%
Disaster Response Levy	3.6%



Pension concessions and other remissions together with early payment discounts are forecast at \$15.1 million. A 0.6 per cent growth in rateable properties is included in the 2024-2025 budget to reflect current economic conditions. Full details of council's rates and charges are outlined in the Revenue Statement 2024-2025.

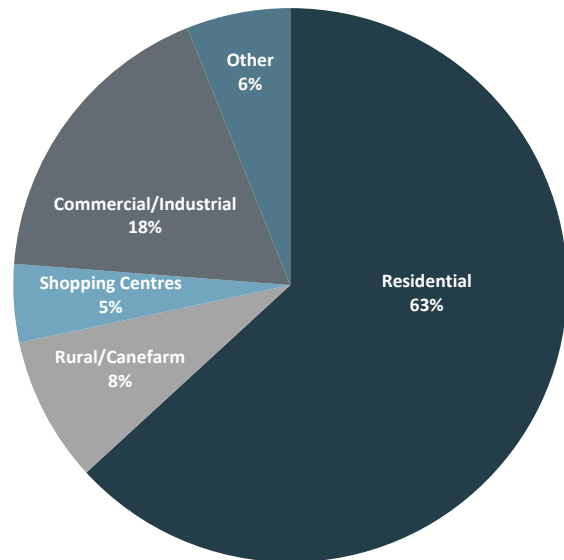
General rates are levied on ratepayers to provide revenue for a broad range of services. Council adopts a differential general rating scheme that categorises all rateable land into different general rates categories.

Rates Revenue Split



The revenue contribution from the different charge types.

General Rates levied by Differential Category



The segmentation of general rates levied on each category



FEES AND CHARGES \$21.8M

Fees and charges revenue includes ~\$8.9 million of income from waste disposal fees, development and planning fees of \$2.2 million, local laws compliance fees of \$2.1 million and Mackay Entertainment and Convention Centre (MECC) revenue of \$1.5 million.

The majority of fees and charges for 2024-2025 have increased generally by 5.4% noting some fee increases were impacted by external organisation requirements, legislative requirements or based on cost recovery. A small number of fees have shown a decrease. Full details of council's 2024-2025 fees and charges are available on council's website.

OPERATING GRANTS AND SUBSIDIES \$10.5M

The major sources of operating grant and subsidies funding include the general-purpose Financial Assistance Grant (FAGs) of \$4.5 million, Works for Queensland, Local Roads and Community Infrastructure and Roads to Recovery operational grants of \$3.2 million.

In addition to operating revenue, council receives specific capital grants from both State and Federal Governments and capital contributions related to property development. Capital revenue from these sources is anticipated to be a further \$14.7 million in 2024-2025.

OTHER REVENUE INCLUDES THE FOLLOWING:

■ Sales - Contract and Recoverable Works \$7.6M

The majority of this revenue relates to work done on behalf of the Department of Transport and Main Roads in maintaining their assets.

■ Interest Earned on Investments \$6.3M

Council maximises interest returns on cash holdings by investing surplus cash requirements at the most optimal rate possible for the shortest possible term (not exceeding twelve months). It is expected that investment returns comparatively to previous years will reduce over the forecasted period as cash is utilised to fund capital expenditure. More detail can be found in Mackay Regional Council's Investment Policy.

■ Rental Income \$1.6M

The majority of rental income is generated from council owned properties. Council owns three commercial properties for strategic purposes that generate market-comparable rental returns. These property holdings are reviewed regularly with no commercial properties planned to be disposed in the near future.

■ Other operating revenue \$6.2M

Ticket sales and catering revenue at the Mackay Entertainment and Convention Centre (MECC) along with the Mackay Stadium account for approximately \$4.3 million in revenue, with the remaining revenue from sales from Sarina Sugar Shed, commissions and other revenue.

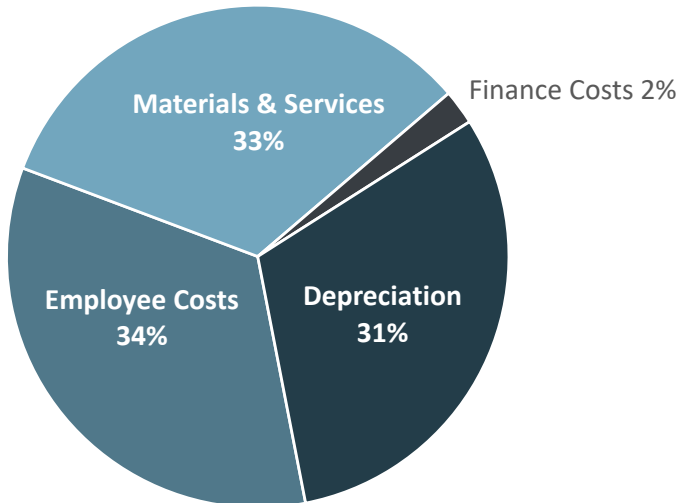


5.

OPERATING EXPENSES

Where our money is spent

Operating Expenses 2024-2025



Total operating expenses are forecast to be \$312.7 million for 2024-2025 and split into the following four main categories:

EMPLOYEE COSTS \$105.6M

Council maintains a large workforce to provide an extensive range of services to the community including maintenance of our roads, water and sewerage networks; town planning; community, sport; and cultural services. All employee-related expenditure such as allowances, superannuation and leave entitlements are included.

MATERIALS AND SERVICES \$103.2M

The major expense categories for material and services are contract expenses of \$28.7 million, costs related to waste disposal and collection of ~\$16.4 million, external contractors involved in the maintenance of roads and parks amounting to \$6.4 million and property maintenance of \$4.6 million. Consultant costs are budgeted at approximately \$7.8 million. External equipment hire is budgeted at \$3.4 million and repairs and maintenance expenditures are budgeted at \$14.1 million. Utilities, fuel and insurance amount to \$20.9 million. Council's Procurement Policy is underpinned by the principle of supporting local business. This leads to significant investment in the regional economy.

FINANCE COSTS \$7M

Finance costs relate to interest and fees for loans, bank and merchant fees and the costs associated with the unwinding of provisions. Of the \$7 million in finance costs, \$5.1 million relate to the unwinding of council provisions, bank and merchant fees with the the remaining \$1.9 million reflective of interest and fees for loans held with the Queensland Treasury Corporation (QTC). Council is planning to borrow \$20 million in 2024-2025 to assist in funding the capital program.

DEPRECIATION \$96.8M

Depreciation represents the decline in the value of assets. This expenditure can be impacted by the age, condition and disposal of existing assets, along with the purchase and construction of new assets.



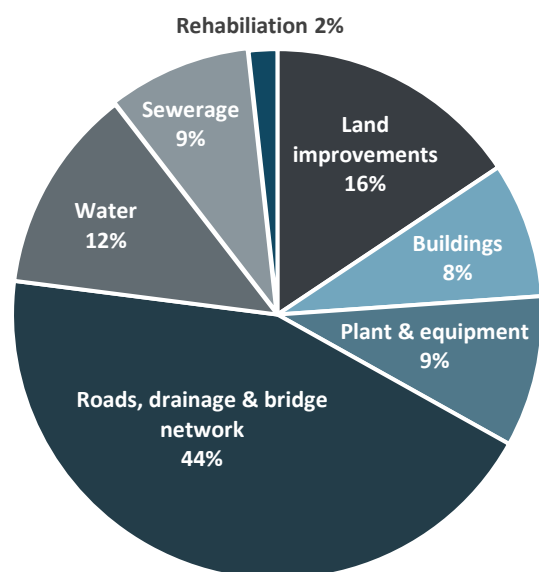
6.

CAPITAL WORKS PROGRAM

Council manages a diverse range of infrastructure assets valued at over \$6.1 billion and is responsible for the construction, upgrade and renewal of these assets through its capital works program. Planned spend on capital projects is higher than in previous years due to a number of higher-value projects underway and to address escalations. Council is budgeting \$130.2 million on capital projects (excluding donated capital) and expects to receive ~\$4 million in donated assets from developers.

This expenditure consists of \$80.2 million on renewing existing assets, \$12.4 million on upgrades and \$37.6 million on new assets.

Capital Expenditure by Asset Type (including donated)



Capital budget highlights

COMMUNITY INFRASTRUCTURE

- \$11.7 million towards the new Northern Beaches Community Hub, including the commencement of Stage 1B's new community hub building.
- \$4.6 million towards the Mackay Waterfront, including improvements to pedestrian and active transport movements at the Sydney / River St intersection (jointly funded by DTMR), signage and wayfinding, and designs for the 8 River Street site.
- \$3.8 million for start of Stage 2 of the Resource Centre of Excellence.
- \$1.3 million towards the planning and design of Stage 2 of the Finch Hatton Mountain Bike Project.

PARKS

- \$1.4 million for the upgrade to Alsatia Park in Walkerston, \$900,000 towards the start of an upgrade to Langford's Park in Eton, and \$440,000 towards the Stan Camm Park in Midge Point.
- \$3 million for improvements to the shared path network, including \$1.7 million for the Pioneer North Bank Shared Path adjacent the Mater Hospital.

ROADS AND DRAINAGE

- \$6.6 million in resealing the existing sealed road network.
- \$4.9 million for the completion of the Paradise Webberley Intersection upgrade.
- Start of the Bells Creek Bridge replacement project (\$7.2 million total project, with \$4.2 million in 2024-2025) in Balberra.
- \$1.12 million for the design of an improved flood levy system in West Mackay near the Ron Camm Bridge (design funded by the Queensland Reconstruction Authority).
- Significant investment into the renewal of culverts across the region, including \$3.3 million at Oak Street, Andergrove, and \$3.2 million, at Carranya Road, Habana.

WATER AND SEWER


- \$16.2 million towards drinking water supply renewal and improvement projects, including \$5.9 million for the new Bloomsbury Water supply scheme.


PROPERTY AND PLANT

- \$7.7 million renewing our plant and equipment.

WASTE

- \$325,000 for the start of construction of a new landfill cell at Hogans Pocket (Cell 4).


\$11.7M 
for Northern Beaches
Community Hub

\$5.9M 
for new Bloomsbury
Water Supply Scheme

\$5M 
for Paradise-Webberley
intersection upgrade

\$4.6M 
for Mackay Waterfront

\$3.8M 
for stage two of
Resource Centre of
Excellence

\$1.3M 
for planning and
design of stage two of
Finch Hatton Mountain
Bike Project

7.

COUNCIL'S BALANCE SHEET

Statement of Financial Position

The Statement of Financial Position (attached) shows council's assets and liabilities. The result of these two components determines the net worth of our community equity (what we own less what we owe) which is forecast to be approximately \$4 billion at the end of 2024-2025.

CASH

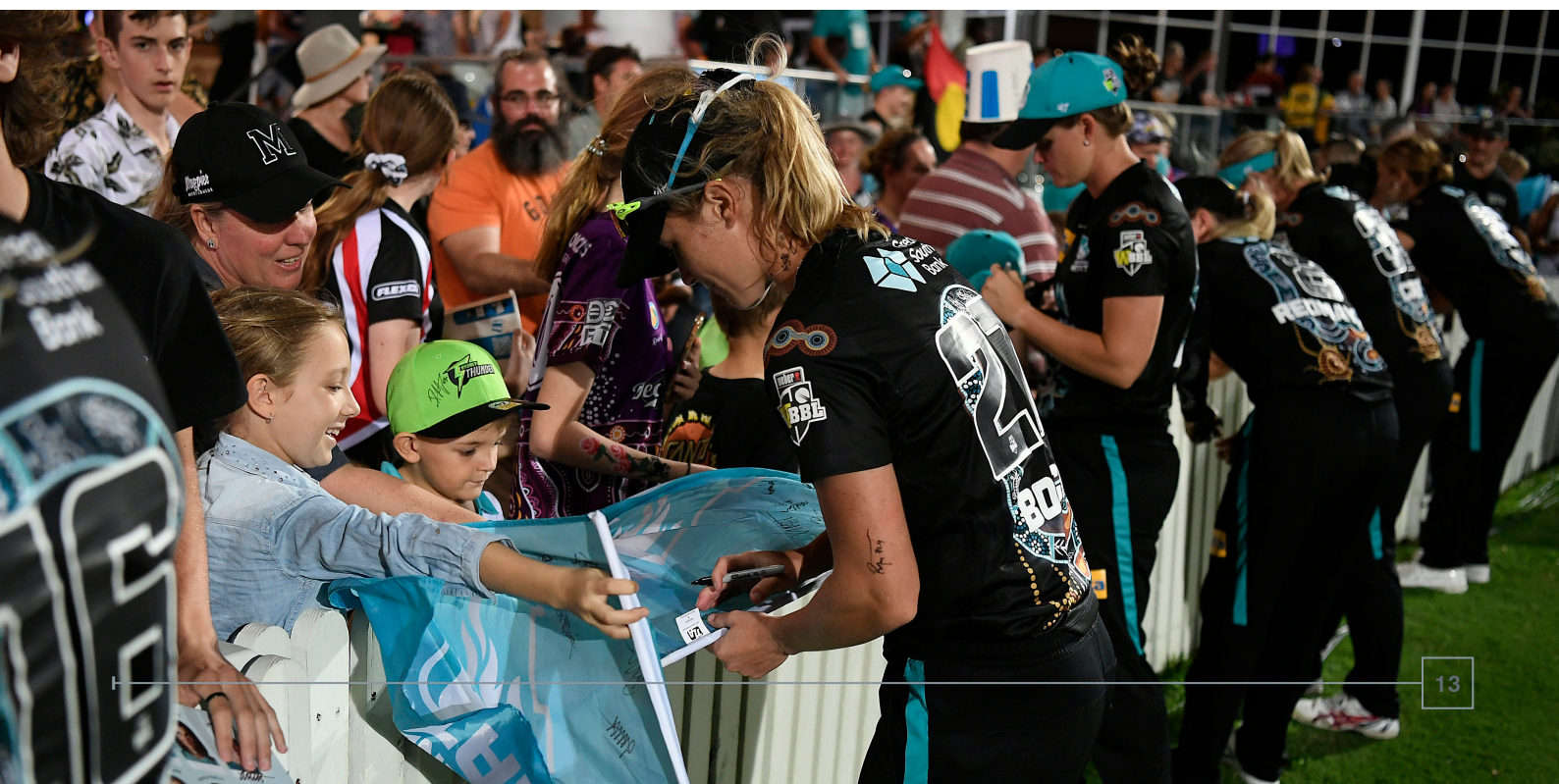
Council invests surplus funds throughout the year in low-risk, short-term investments in accordance with council's investment policy and regulatory guidelines. The short and long-term cash flows indicate that sufficient cash is available to meet recurring activities and capital expenditure. The cash position at the end of the ten-year period is sufficient to operate and allow for the \$1.76 billion of capital spent in that period. The capital projects in the latter half of the forecast period require a more detailed analysis and scoping before delivery.

DEBT

Borrowing for long-term assets is an effective way of spreading the cost of community infrastructure over the life of the assets in such a way that those deriving a benefit from the investment pay for it as it is being used.

Over the last five years to date, council's debt has been reduced by \$108.2 million (including a bulk reduction of \$36.6 million in the 2021-2022 financial year), which allows the scope to take new borrowings to assist in funding key new infrastructure. Council is planning for new loans of \$20 million in 2024-2025 and is set to increase borrowings in the following two years to support the delivery of the capital works program.

Council maintains strong liquidity and adequate debt servicing capacity resulting in an adequate level of financial flexibility.



8.

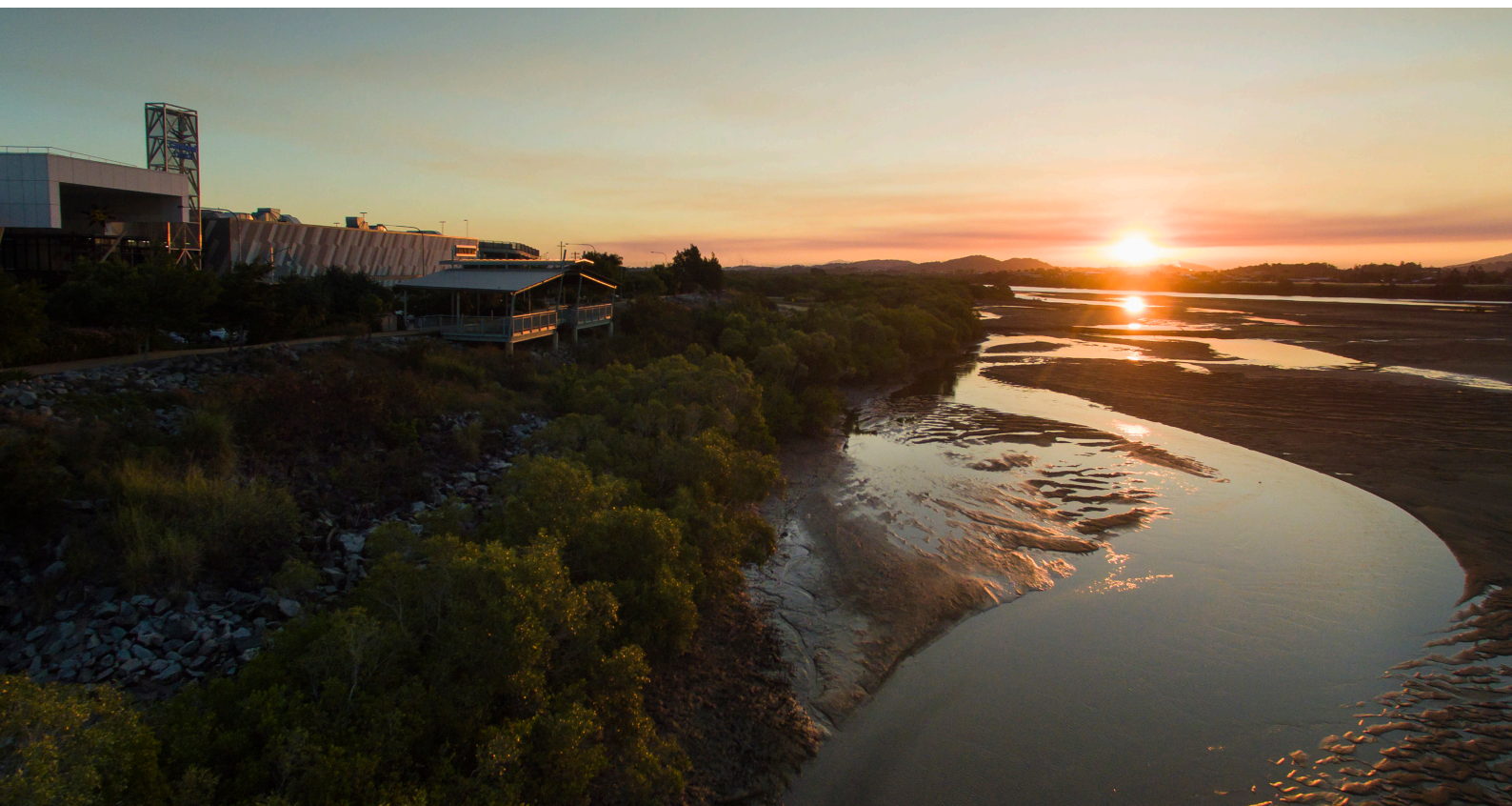
KEY FINANCIAL SUSTAINABILITY RATIOS

The following ratios indicate council's budget performance against key financial sustainability criteria to ensure prudent management of financial risks in accordance with section 169(5) of Local Government Regulation 2012. The prime ratios have been calculated for the ten-year period and can be found below. Further information on sustainability ratios is available in Appendix 5. Ratio's for the 10 year period including the three-year budget forecast is shown in the Long-Term Financial Forecast document.

Ratio	Description	Formula	Benchmark							
Operating Surplus	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$	Five-year Average Greater than 0%							
Result:										
2024/25 5yr average	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
0%	0%	0%	2%	4%	6%	6%	6%	6%	6%	2%
Comments:										
Council is within the benchmark range. Council is forecasting minor operating surpluses for the forecast period available for capital funding, to service long-term debt required to fund the capital program and allows scope to absorb financial shocks.										

Ratio	Description	Formula	Benchmark							
Leverage Ratio	This is an indicator of councillor's ability to repay its existing debt, it measures the relative size of the councils debt to it's operating performance.	$\frac{\text{Book value of debt}}{\text{Operating result add depreciation and amortisation and finance costs}}$	Five-year Average Between 0 and 4 Times							
Result:										
2024/25 5yr average	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
1	0.459	0.357	0.447	0.636	1.031	1.372	1.673	1.792	1.874	1.890
Comments:										
The leverage ratio is within acceptable limits for the life of the 10-year plan, indicating that Council has the ability to repay it's existing debt and capacity to increase loan borrowings. Council's debt reduction strategy in recent years has now allowed scope to increase borrowings to fund an increased capital projects program.										

Ratio	Description		Formula		Benchmark					
Asset Sustainability	This is an approximation of the extent to which the infrastructure assets managed by council are being replaced as these reach the end of their useful lives.		$\frac{\text{Capital expenditure on renewals of infrastructure assets}}{\text{Depreciation expense on infrastructure assets}}$		Five-year Average >60%					
Result:										
2024/25 5yr average	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
65%	73%	82%	85%	74%	83%	91%	89%	66%	65%	65%
Comments:										
Council is forecasting a sustainable asset replacement and renewal program for the forecast period. A number of asset classes are reaching an age requiring rehabilitation, renewal or replacement which will result in higher investment in existing assets in certain years. An increased focus on asset management and long-term capital planning will further improve council's ability to make informed decisions regarding asset management into the future.										





Appendices

- **Statement of Income and Expenses**
Presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent).
- **Statement of Financial Position**
Identifies the predicted financial position of council, including assets (what we own), liabilities (what we owe) and equity (our net worth).
- **Statement of Changes in Equity**
Reports changes to equity (council's assets net of liabilities).
- **Statement of Cash Flow**
Reports how revenue received, and expenses paid, impact council's cash balances.
- **Key Financial Sustainability Ratios**
Key financial indicators that measure council's financial performance.
- **Capital Works Program**
Details the budget for the period ending 30 June 2025 and the next two years.



MACKAY REGIONAL COUNCIL – STATEMENT OF INCOME AND EXPENSES
For the year ending 30 June 2025 (including next two financial years)

	2024/25 \$000	Forward Estimate	
		2025/26 \$000	2026/27 \$000
Operating revenue			
Rates and charges	274,129	289,033	301,309
Discounts	(12,439)	(13,117)	(13,700)
Remissions	(2,688)	(2,777)	(2,860)
Net Rates and charges	259,002	273,139	284,749
Fees and charges	21,840	22,560	23,237
Rental income	1,561	1,613	1,661
Sales - contracts and recoverable works	7,576	7,826	8,061
Grants and subsidies	10,538	10,886	11,212
Interest earned	6,338	6,387	4,863
Other operating revenue	6,168	6,371	6,562
Total operating revenue	\$ 313,023	\$ 328,782	\$ 340,345
Operating expenses			
Employee costs	105,650	111,508	116,565
Materials and services	103,251	109,058	111,656
Finance costs	7,003	7,453	7,207
Depreciation	96,817	100,123	103,401
Total operating expenses	312,721	\$ 328,142	\$ 338,829
Operating result	\$ 302	\$ 640	\$ 1,516
Capital revenue			
Grants and subsidies	14,766	19,056	22,086
Contributions from developers	4,500	5,500	6,000
Donated assets	4,000	4,000	4,000
Other capital income	-	-	-
Total capital revenue	23,266	\$ 28,556	\$ 32,086
Capital expenses			
Loss on disposal or sale of assets	464	488	503
Revaluation decrement and loss on impairment	-	-	-
Other capital expenses	2,000	2,000	2,000
Total capital expenses	2,464	\$ 2,488	\$ 2,503
Net result	\$ 21,104	\$ 26,708	\$ 31,099
Other comprehensive income			
Increase or (decrease) in asset revaluation surplus	-	123,204	117,507
Total comprehensive income for the year	\$ 21,104	\$ 149,912	\$ 148,606

MACKAY REGIONAL COUNCIL – STATEMENT OF FINANCIAL POSITION
For the year ending 30 June 2025 (including next two financial years)

	2024/25 \$000	Foreward Estimate	
		2025/26 \$000	2026/27 \$000
Current assets			
Cash, cash equivalents and investments	93,967	70,421	51,377
Trade and other receivables	22,686	23,848	24,817
Contract Assets	3,500	3,500	3,500
Other assets	4,506	4,506	4,506
Inventories	3,136	3,136	3,136
Non-current assets held for sale	-	-	-
Total current assets	\$ 127,795	\$ 105,411	\$ 87,336
Non-Current Assets			
Investments	5,580	5,580	5,580
Trade and other receivables	-	-	-
Property, plant and equipment	3,990,763	4,152,888	4,325,835
Intangible assets	4,074	4,043	4,011
Right of use assets	1,063	982	902
Total non-current assets	\$ 4,001,480	\$ 4,163,493	\$ 4,336,328
Total assets	\$ 4,129,275	\$ 4,268,904	\$ 4,423,664
Current liabilities			
Contract liabilities	3,500	3,500	3,500
Lease liabilities	73	79	78
Trade and other payables	8,909	9,398	9,625
Employee entitlements	2,026	2,139	2,235
Borrowings	8,252	5,860	6,845
Provisions	2,560	8,233	10,953
Other liabilities	18,021	20,779	20,779
Total current liabilities	\$ 43,341	\$ 49,988	\$ 54,015
Non-current liabilities			
Lease liabilities	1,137	1,058	980
Employee entitlements	1,601	1,601	1,601
Borrowings	39,590	33,730	46,887
Provisions	76,502	68,270	57,317
Other liabilities	3,031	273	273
Total non-current liabilities	\$ 121,861	\$ 104,932	\$ 107,058
Total liabilities	\$ 165,202	\$ 154,920	\$ 161,073
Net community assets	\$ 3,964,073	\$ 4,113,984	\$ 4,262,591
Community equity			
Retained surplus	2,352,982	2,379,691	2,410,789
Asset revaluation reserve	1,611,091	1,734,293	1,851,802
Total community assets	\$ 3,964,073	\$ 4,113,984	\$ 4,262,591

MACKAY REGIONAL COUNCIL – STATEMENT OF CHANGES IN EQUITY
For the year ending 30 June 2025 (including next two financial years)

	Budget 2024/25 \$000	Foreward Estimate	
		2025/26 \$000	2026/27 \$000
Retained Surplus			
Opening balance	2,331,878	2,352,982	2,379,691
Adjustment to opening balance	-	-	-
Net result for the period	21,104	26,708	31,099
Closing balance	\$ 2,352,982	\$ 2,379,691	\$ 2,410,789
Asset Revaluation Reserve			
Opening balance	1,611,090	1,611,091	1,734,293
Adjustment to opening balance	-	-	-
Asset revaluation adjustments	1	123,202	117,508
Closing balance	\$ 1,611,091	\$ 1,734,293	\$ 1,851,801
Total			
Opening balance	3,942,968	3,964,073	4,113,984
Adjustment to opening balance	-	-	-
Net result for the period	21,104	26,708	31,099
Asset revaluation adjustments	1	123,202	117,508
Transfers to/(from) capital and reserves	-	-	-
TOTAL COMMUNITY EQUITY	\$ 3,964,073	\$ 4,113,984	\$ 4,262,590

MACKAY REGIONAL COUNCIL – STATEMENT OF CASH FLOW
For the year ending 30 June 2025 (including next two financial years)

	Budget 2024/25 \$000	Forward Estimate	
		2025/26 \$000	2026/27 \$000
Cash flows from operating activities:			
Receipts from customers	294,788	310,373	323,327
Payments to suppliers and employees	(216,635)	(227,813)	(241,579)
	\$ 78,153	\$ 82,560	\$ 81,748
Interest received	6,338	6,387	4,863
Non capital grants and contributions	10,491	10,860	11,188
Borrowing Costs	(1,878)	(2,164)	(1,759)
Net cash inflow (outflow) from operating activities	\$ 93,104	\$ 97,643	\$ 96,040
Cash flow from investing activities:			
Payments for property, plant and equipment	(127,895)	(137,994)	(157,807)
Payments for intangible assets	-	-	-
Net movement in loans and advances	-	-	-
Proceeds from sale of property plant and equipment	1,965	2,574	2,574
Grants, subsidies, contributions and donations	19,267	24,556	28,086
Other investing activities	(5,580)	(2,000)	(2,000)
Net cash inflow (outflow) from investing activities	\$ (112,243)	\$ (112,864)	\$ (129,147)
Cash flow from financing activities:			
Proceeds from borrowings	20,000	-	20,000
Repayment of borrowings	(11,008)	(8,252)	(5,858)
Principal lease repayments	(71)	(73)	(79)
Net cash inflow (outflow) from financing activities	\$ 8,921	\$ (8,325)	\$ 14,063
Net increase (decrease) in cash held	\$ (10,218)	\$ (23,546)	\$ (19,044)
Cash at beginning of reporting period	104,185	93,967	70,421
Cash at end of reporting period	\$ 93,967	\$ 70,421	\$ 51,377

MACKAY REGIONAL COUNCIL – KEY FINANCIAL SUSTAINABILITY METRICS
For the year ending 30 June 2025

Type	Measure	Target (Tier 2)	2025	5-Year Average	Council Narrative
Financial Capacity	Council-Controlled Revenue*	N/A	89.7%	88.8%	With a result close to 90% Council has the financial flexibility to absorb any financial shocks associated with the reduction of external funding.
	Population Growth*	N/A	1.1%	1.3%	Council is committed to growing our region, the next 10 years will see over \$1.7b invested in capital infrastructure to continue to promote sustainable population growth.
	Operating Surplus Ratio	Greater than 0%	0.1%	-0.1%	Council is expecting to see this ratio meet target expectations throughout the forecast 10 Year period, Council is committed to adopting a minor operating surplus to ensure financial sustainability without applying increased financial pressure to ratepayers through significant increases in rates above CPI.
	Operating Cash Ratio	Greater than 0%	33.3%	31.6%	
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	4.9	N/A	Council aims to maintain a high unrestricted cash expense cover result in the early years of the Long Term Financial Forecast in order to fund planned expenditure in infrastructure investment.
	Asset Sustainability Ratio	Greater than 60%	73.3%	65.5%	Council's investment in infrastructure assets is well above the target minimum of 60%, this continues throughout the life of the 10-year forecast period.
Asset Management	Asset Consumption Ratio	Greater than 60%	59.7%	62.4%	Council's 5-year average is above the target minimum as per the Financial Management Sustainability Guideline.
	Asset Renewal Funding Ratio*	N/A	N/A	N/A	Information not currently available to calculate ratio.
Debt Servicing Capacity	Leverage Ratio**	0 to 4 times	0.5	0.7	Council's capacity to undertake borrowings to fund capital growth is high. This capacity will reduce over the life of the LTFF reflective of additional borrowings undertaken.

* The **Council-Controlled Revenue**, **Population Growth** and **Asset Renewal Funding Ratio** measures are reported for contextual purposes only and are not audited by the QAO.

The **Leverage Ratio is not required to be reported if a council has not held any QTC or other debt within the last five financial years.

MACKAY REGIONAL COUNCIL – CAPITAL WORKS PROGRAM
For the year ending 30 June 2025 (including next two financial years)

	Budget 2024/25 \$000	Forward Estimate	
		2025/26 \$000	2026/27 \$000
Buildings and Facilities	10,743	12,690	9,812
Renewal	5,405	10,620	9,121
Upgrade	634	113	117
New	4,704	1,957	575
Parks, Gardens, Coastal & Foreshores, Waste	20,354	13,176	12,271
Renewal	5,517	5,256	5,598
Upgrade	1,555	1,771	845
New	13,282	6,149	5,828
Land	-	-	-
Renewal	-	-	-
Upgrade	-	-	-
New	-	-	-
Plant & Equipment	11,996	14,394	16,112
Renewal	11,848	14,178	15,792
Upgrade	-	135	291
New	147	81	29
Roads, Drainage & Network	57,166	64,367	71,262
Renewal	38,845	35,338	38,717
Upgrade	7,062	9,861	10,533
New	11,259	19,168	22,013
Sewerage	11,367	12,517	19,920
Renewal	8,262	9,846	10,064
Upgrade	1,967	2,202	4,990
New	1,138	469	4,866
Water	16,268	20,850	28,429
Renewal	7,995	17,034	21,288
Upgrade	1,214	2,829	4,099
New	7,059	987	3,042
Quarry and Landfill Remediaton	2,264	2,560	8,233
Renewal	2,264	2,560	8,233
Upgrade	-	-	-
New	-	-	-
	\$ 130,158	\$ 140,555	\$ 166,039

Community Budget Report

2024-2025

MACKAY REGIONAL COUNCIL
BUDGET 2024-2025



PO Box 41, Mackay QLD 4740 | Phone **1300 MACKAY** (1300 622 529) | mackay.qld.gov.au

Disclaimer

While every care has been taken in preparing this publication, Mackay Regional Council accepts no responsibility for decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge the content was correct at the time of publishing.