



MACKAY REGIONAL COUNCIL
BUDGET 2024-2025

Long-Term Financial Forecast 2025-2034





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Executive Summary

The Long-Term Financial Forecast (LTFF) highlights council's long term financial sustainability including early identification of financial pressures and potential impacts and financial strategies to balance financial pressures with competing demands for services and facilities to the community. This plan balances the funding needs of asset renewal and new infrastructure assets, managing services against rating and fee expectations, and managing debt compared to cash reserves.

The LTFF demonstrates council's ability to manage the wide range of services and infrastructure over the long term by maintaining sufficient liquidity, adequate debt servicing capacity and a reasonable level of financial flexibility. The plan will be reviewed annually to reflect the prevailing economic conditions, updated asset management plans and community requirements.

Long Term Financial Forecast 2025-2034

1.

COUNCIL'S FINANCIAL STRATEGY

The Financial Strategy is council's roadmap for managing its financial resources and processes and is aligned with the objectives and priorities of the Corporate Plan. This strategy establishes the framework under which sound and sustainable financial decisions can be made, outlines the economic environment that council operates in and identifies challenges to be addressed.

The strategy provides guidance on council's operating position, capital project delivery and cash and revenue management and is measured through a series of financial sustainability targets that demonstrate alignment with the asset management system and appropriate levels of service to support the community.

The following principles are identified to achieve this:

- Revenue generation is sufficient to achieve efficient and effective service delivery to meet the needs of the community.
- Key inter-generational infrastructure and service issues and initiatives are addressed with the right mix of debt, grant funding and council-generated funding to spread the financial impact over several years.
- Sufficient funding is provided to meet capital expenditure requirements identified in the LGIP to support development and population growth.
- Sufficient funding is provided to meet asset management requirements with agreed and affordable service levels over the long term.
- Strategic risks have been identified and are reflected in financial forecasts and asset management planning.
- Prudent management of investments and loan borrowings are ensured.
- A fair and equitable rating structure is provided.

Key Initiatives

Council will deliver ongoing financial sustainability through the implementation of several initiatives including:

- Prioritising the capital program focussed on asset class budget targets to ensure the right projects are delivered at the right time.
- Improving long-term infrastructure planning and continuing to review robust systems around the review and management of the LTFF.
- Ensuring full lifecycle costs are considered as part of project evaluation.
- Focusing on asset management practices and reviewing asset service level standards.
- Reviewing the mix of cash versus borrowings to balance affordability with equitable distribution of costs between current and future generations of ratepayers.
- Improving State and Federal grant allocations through improved advocacy and improved grants and liveability project planning.
- Maximising returns from cash investments to reduce financial impacts on ratepayers.
- Continuing to explore benefits of scale and shared services arrangements including through the Greater Whitsunday Council of Mayors (GWCoM).

Economic Climate and Financial Risks

The following external risks are considered in the LTFF:

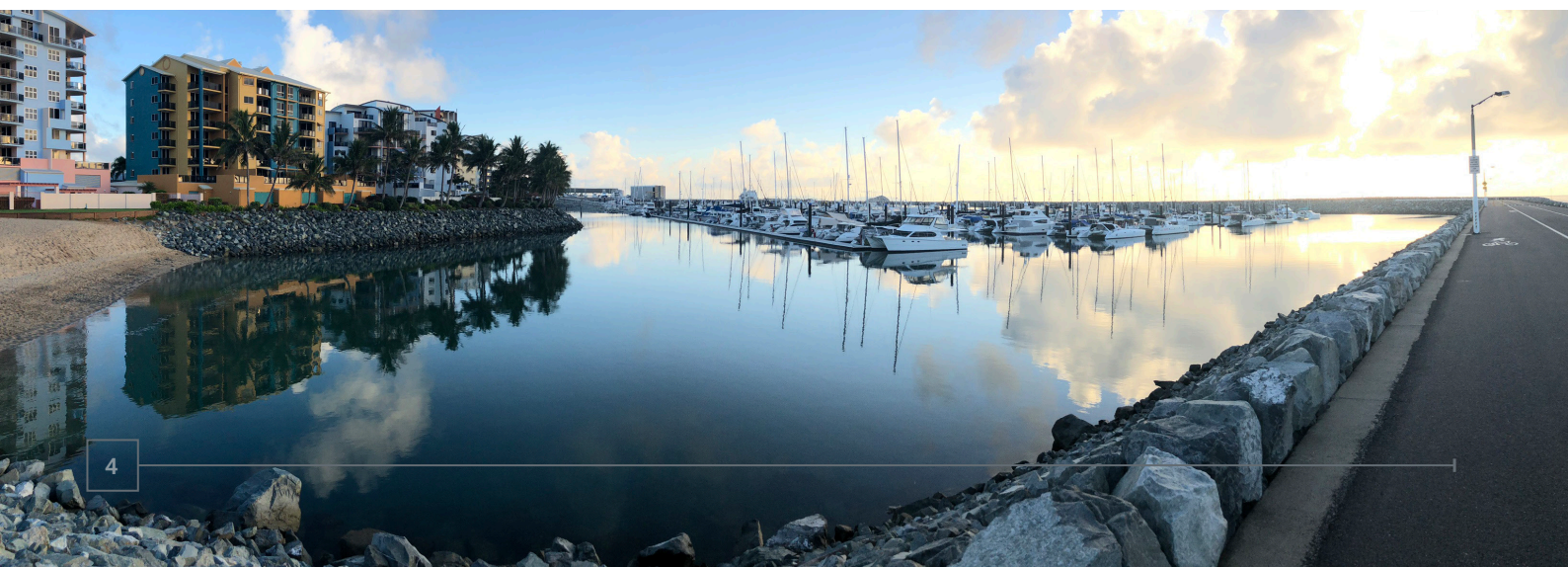
- Risks around price increases of capital projects driven primarily by skilled labour shortages, rising prices of materials and supply chain constraints.
- For specific projects and services, the ability to

accurately quantify the financial risks over a long period is hampered by uncertainties surrounding the availability of funding such as grants and contributions from State and Federal governments.

- Council recognises that climate change has the potential to impact council's operations and the economic, social and environmental viability of the local government region and the community. Council's Environmental Sustainability Strategy provides direction on sustainability actions required including the development of a carbon reduction plan. Council is also finalising a Coastal Hazard Adaptation Study to identify risks to the community and council assets at risk, which will inform future risk mitigation options.

The following internal risks are considered in the LTFF:

- Maintaining the extensive local road network of approximately 2,500km and over 350km of pathways and shared paths.
- Managing an extensive levee system, with various opportunities identified for improved flood immunity. Some major flood protection improvement works are now underway.
- Managing 550km of mainland coastline (including estuaries and inlets).
- A number of asset classes (e.g., timber bridges, community facilities, city centre services) nearing the end of their life, requiring increased rehabilitation or renewal, and required to be renewed at current (higher cost) standards.
- A number of larger asset network changes are planned in the medium term to support the continued growth of the region (including sewerage, water, trunk road and road drainage network improvements).



2.

FORECAST ASSUMPTIONS

Council has a range of assumptions grouped into the following categories:

- Growth increase (%)
- Price increase (%)
- Additional parameters

These assumptions are the main drivers in council's model to manage assets and services in the long term, used in conjunction with capital expenditure and associated funding assumptions from the ten-year capital works program. Note percentages are indicative and annual forecasts are adjusted for known changes in service levels or other impacts.

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Growth increase %										
General rates	0.60%	0.60%	0.70%	0.75%	0.75%	0.80%	0.80%	0.90%	0.90%	0.90%
Rates levies and charges	3.60%	4.30%	4.00%	3.75%	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs	1.00%	1.00%	1.00%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%
Material and Services	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Price increase %										
Underlying CPI	3.60%	3.30%	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
General rates	3.60%	7.30%	5.00%	6.75%	5.50%	9.50%	2.50%	4.50%	2.50%	2.50%
Other rates levies and charges	3.60%	7.30%	5.00%	6.75%	5.50%	9.50%	2.50%	4.50%	2.50%	2.50%
Waste/Water/Sewerage Rates	3.60%	2.30%	2.00%	1.75%	1.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fees & charges	5.40%	3.30%	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Employee costs	5.00%	4.50%	3.50%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Electricity	15.00%	15.00%	10.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Material and Services	3.60%	3.30%	3.00%	2.75%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Additional parameters										
Vacancy factor	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%	-7.00%
Developer contributions (\$'000)	4,500	5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,000

Note: Assumptions are reviewed annually as part of the LTFF, based on the best available information at the time.

3.

FORECAST REVENUE

Council is required to raise revenue to maintain assets and provide services to the region, guided by the principles detailed in council's Revenue Policy.

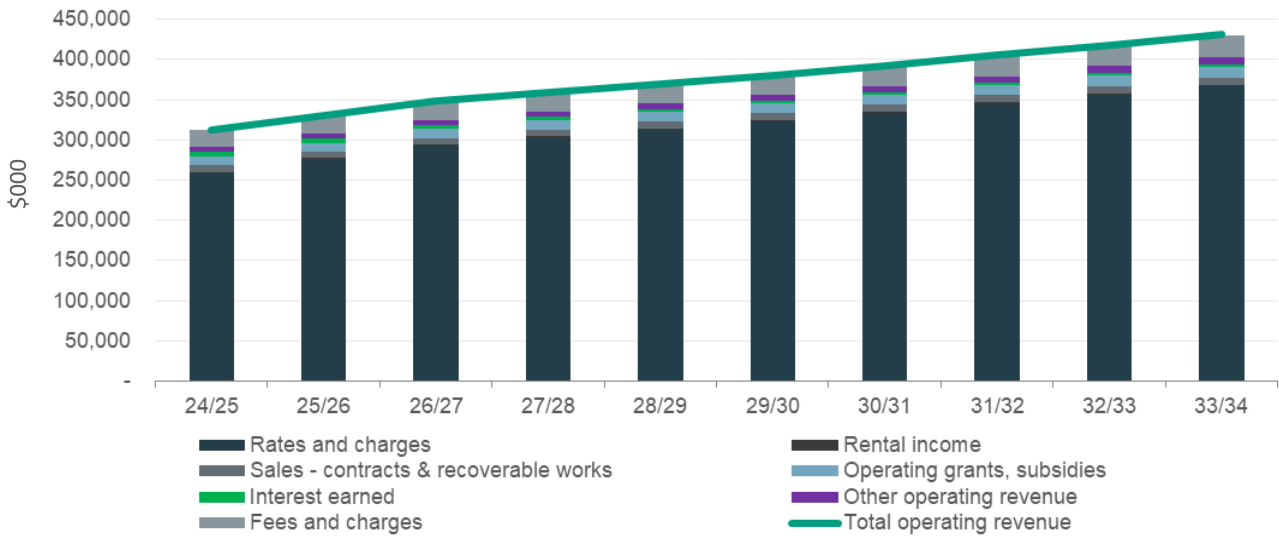
Council's main source of revenue is rates and charges, including:

- General rates
- Utility charges (e.g. sewerage, water utility, trade waste, waste management and waste facilities operations)
- Separate charges (e.g. natural environment, roads improvement and disaster response)

Council also generate revenue from other sources including:

- Fees and charges
- Rental income
- Interest earned
- Sales – contract and recoverable works
- Grants, subsidies and contributions

Operating Revenue



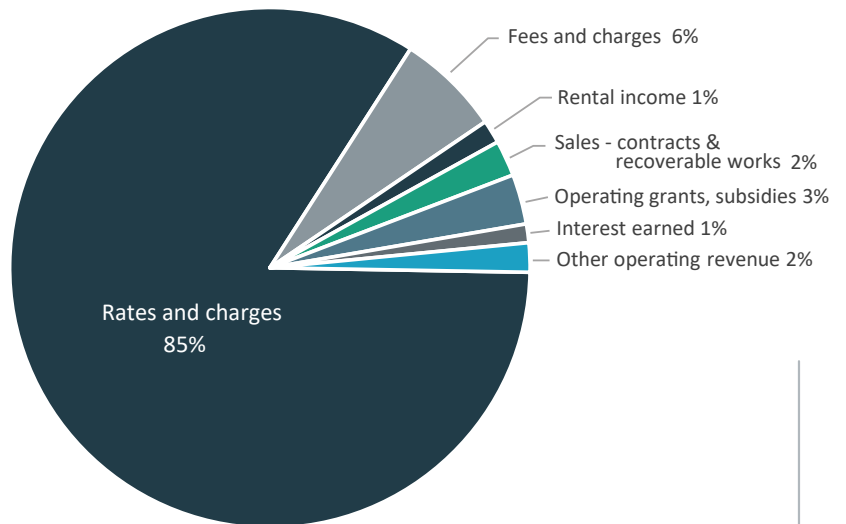
Total revenue by source over the next 10 years informed by the forecast assumptions



Average Operating Revenue Distribution 2025-2034

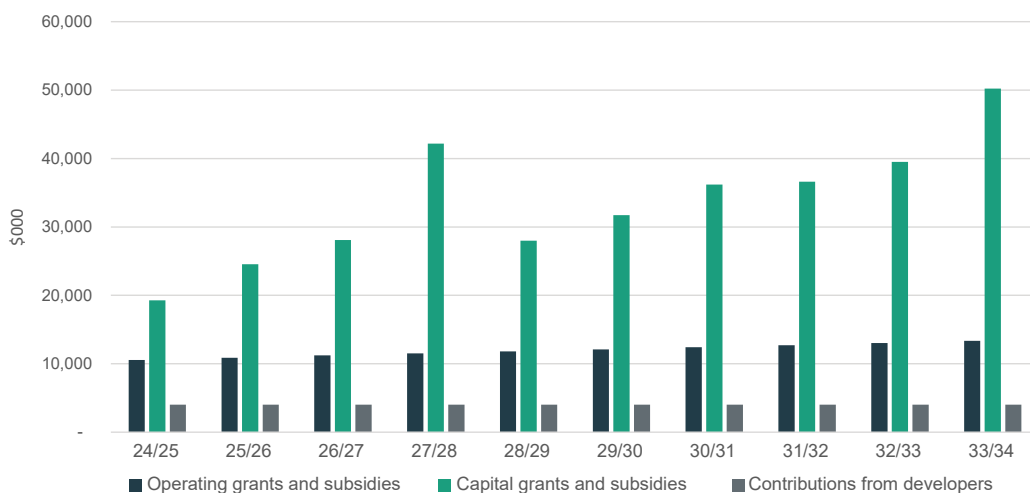
Cash flow requirements are monitored closely to identify any funds not immediately required for operational purposes with surplus cash invested as detailed in council's Investment Policy.

Through increased advocacy and ongoing development of council's grants management processes, council is projecting increased contributions from State and Federal Government grants to support various liveability projects and major asset management projects planned in the LTFF timeframe. Capital contributions are also received through infrastructure charges received from development to fund infrastructure projects identified in infrastructure agreements and the Local Government Infrastructure Plan.



Total revenue by source over the next 10 years informed by the forecast assumptions

Grants, Subsidies and Contributions



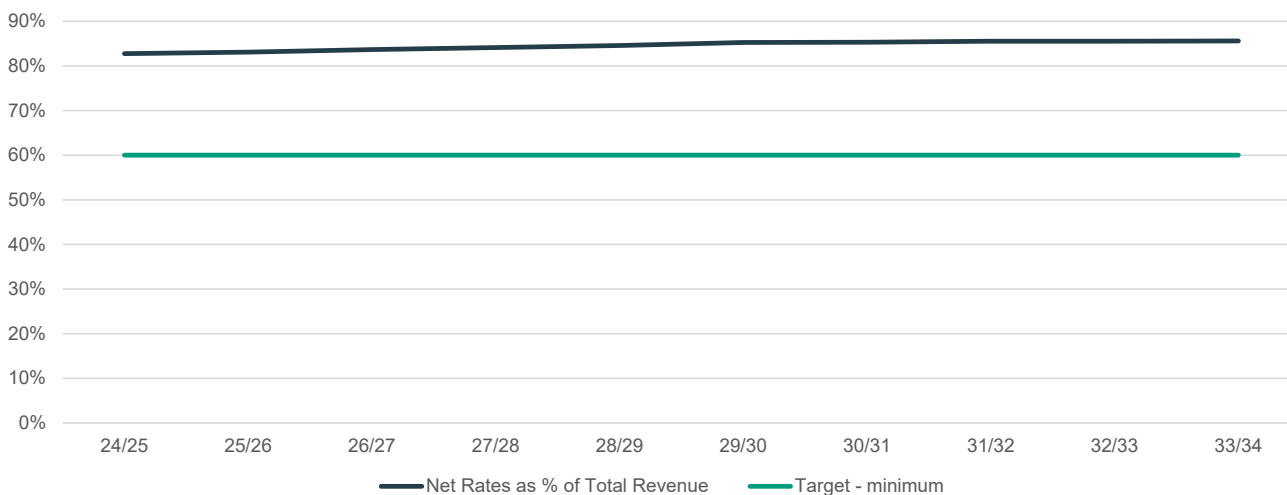
BOX OFFICE



Key Performance Information

The Council Controlled Revenue Ratio measures net rates as a percentage of total operating revenue and indicates the degree of reliance on external funding sources. Council's financial flexibility improves with higher levels of council controlled revenue, with the optimum target being greater than 60 per cent. Council maintains this ratio well above the 60 per cent target across the 10-year span.

Council Controlled Revenue Ratio

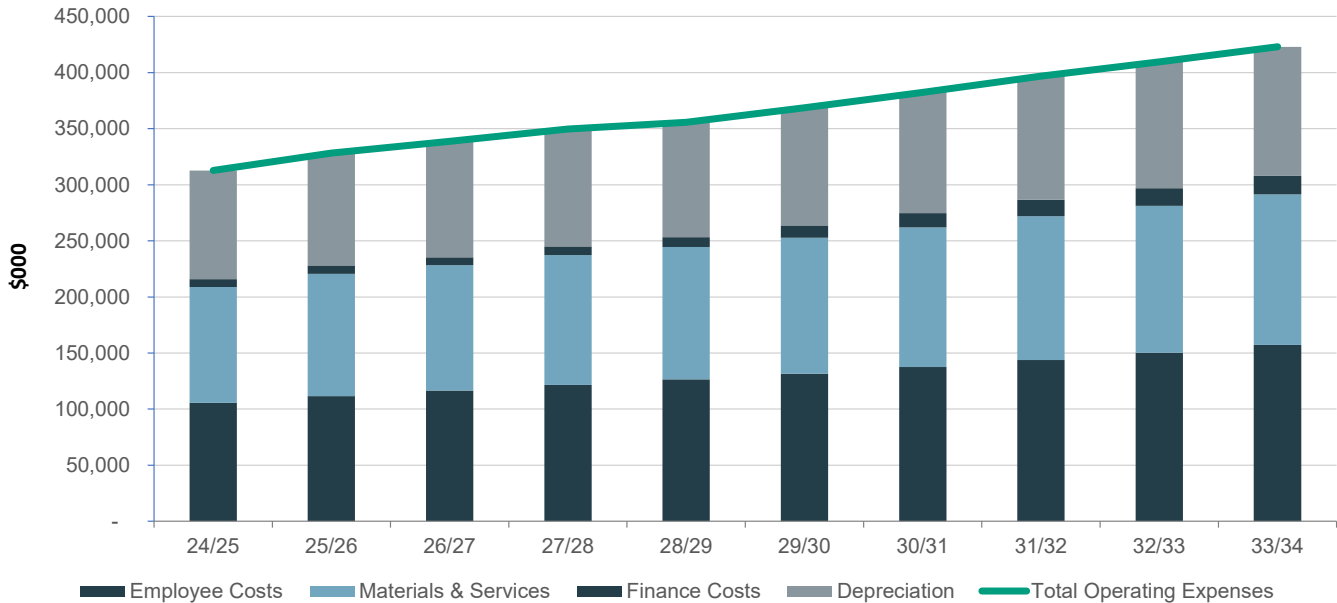


4.

FORECAST EXPENDITURE

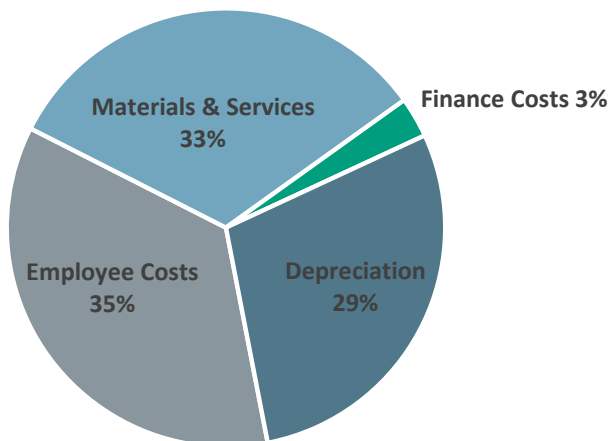
Total operating expenses will increase annually because of inflation and organisational growth.

Operating Expenses



Projected total operating expenses by source

Average Operating Expenses 2025-2034



Employee costs include limited employee growth, estimated pay increases are based on the current certified agreement negotiations and predicted future increases. A vacancy factor of seven per cent is deducted from the full establishment costs to reflect staff turnover and timing to fill vacancies in a competitive market.

Materials and services are reflective of the costs necessary to continue delivering council services. These costs account for 33 per cent of total operating expenses, with employee costs at 35 per cent.



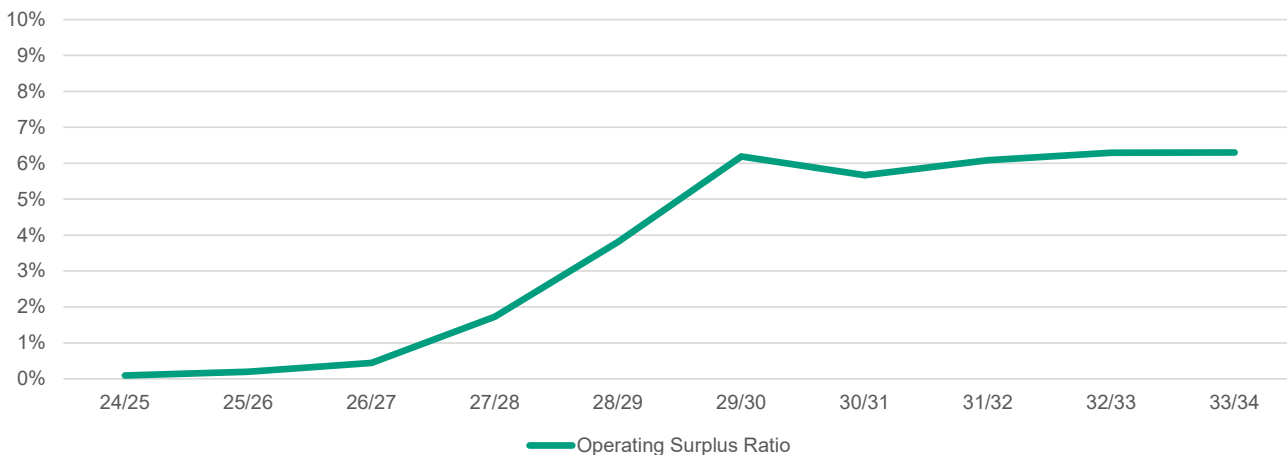
Depreciation is the recognition of consumption of service potential of council's asset base, this is then subsequently recognised as an expense in the Statement of Income and Expenses. Council's non-current assets are valued in excess of \$6.1 billion with a depreciation of \$96.8 million in 2024-2025 and projected to be 29 per cent for expenses for the forecast period. Ongoing review of depreciation charges is undertaken to ensure this expense reflects the estimated annual use and service potential of assets.

Finance costs are the smallest component of the operating expense budget making up around 3 per cent. These costs mainly relate to interest associated with council's long-term debt and councils landfill provision requirements.

Key Performance Information

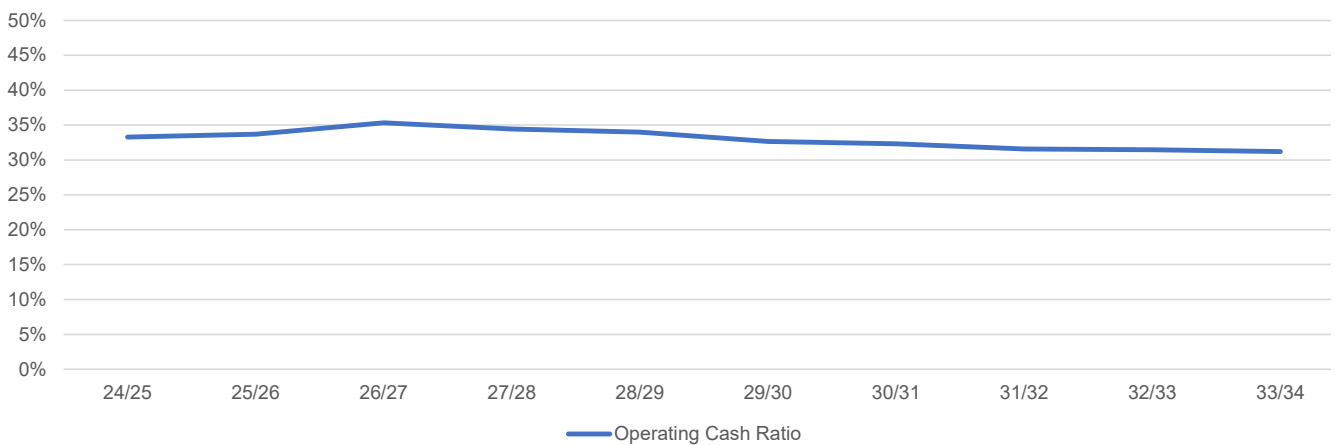
The Operating Surplus Ratio measures the extent to which revenue raised covers operating expenses with any additional surpluses available for capital funding. A five-year average of greater than 0 per cent means council is expecting to generate sufficient levels of revenue to meet operating requirements. Council is expecting to see this ratio meet target expectations within the forecast 10 year period.

Operating Surplus Ratio





Operating Cash Ratio



The Operating Cash Ratio measures the extent to which council is covering its core operational expenses and generating a cash surplus excluding depreciation, amortisation, and finance costs. A cash surplus suggests that council has the ability to self-fund its capital renewal expenditure requirements.



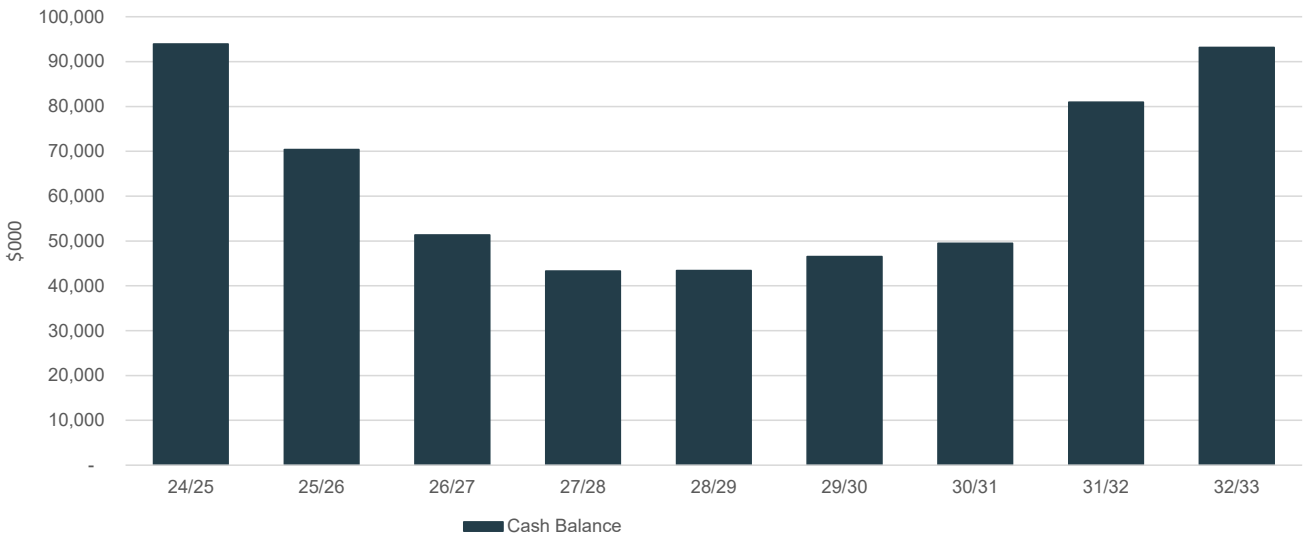
5.

CASH MANAGEMENT

Maintaining a cash balance adequate to cover cash operating requirements is fundamental to any organisation and particularly important given council's bi-annual rating cycle requiring a cash balance adequate to cover cash operating requirements for at least two months (minimum target). Cash balances remain high for the first two years and reduce in later years reflective of investment in capital infrastructure.

Cash reserves are invested as detailed in council's *Investment Policy*.

Cash Balances

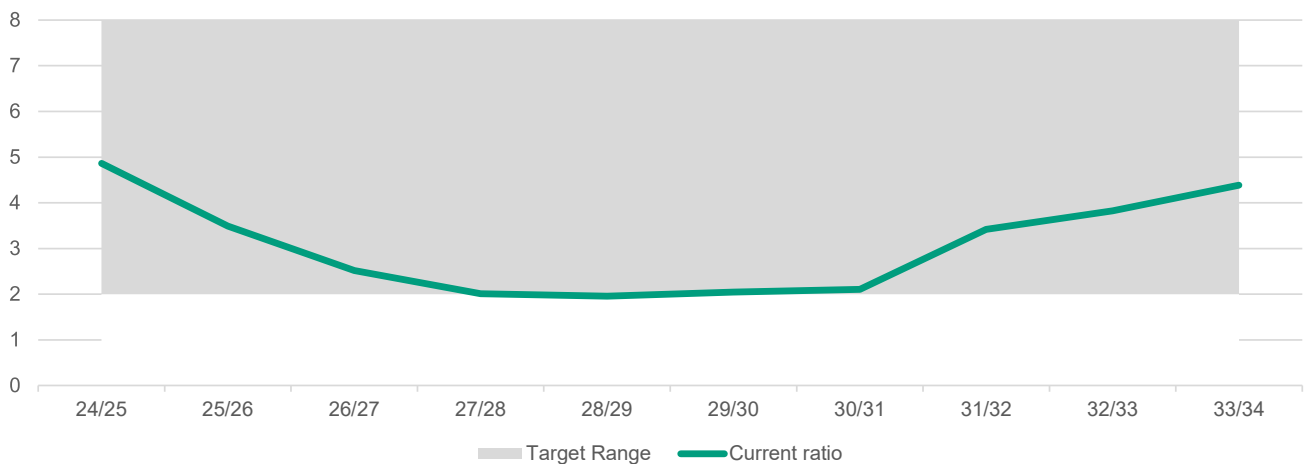




Key Performance Information

The unrestricted cash expense cover ratio is an indicator of councils unconstrained liquidity available to meet ongoing and emergent financial needs. A high unrestricted cash expense cover ratio indicates that council has sufficient cash available to contribute to the cost of future planned expenditures such as infrastructure investment and disaster recovery. The unrestricted cash expense cover ratio is predominately within target bounds for the life of the forecast period.

Unrestricted Cash Expense Cover Ratio

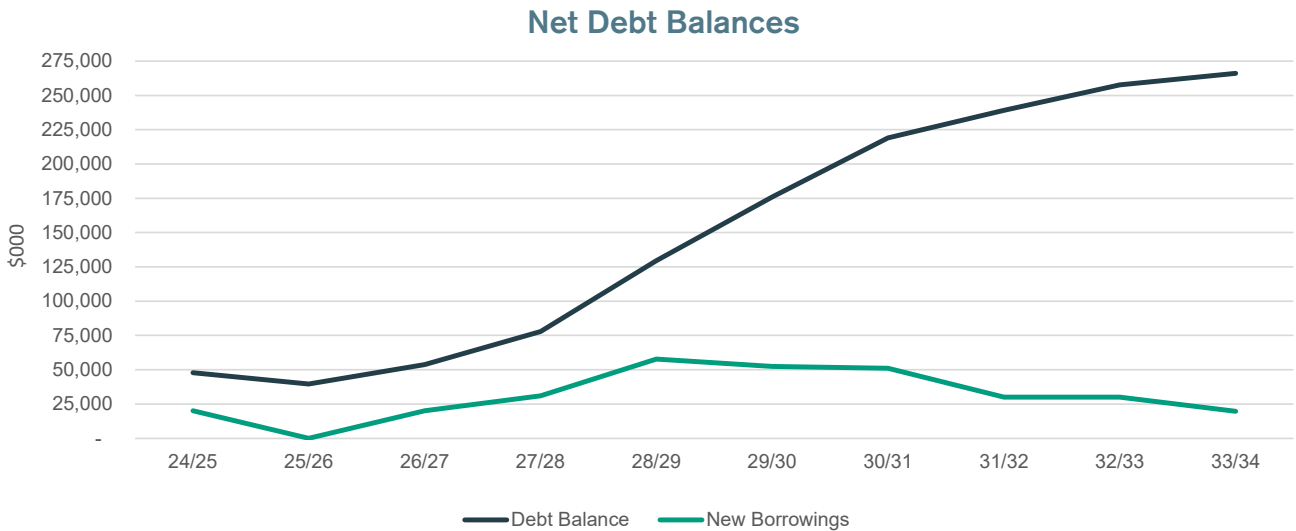


6.

DEBT MANAGEMENT

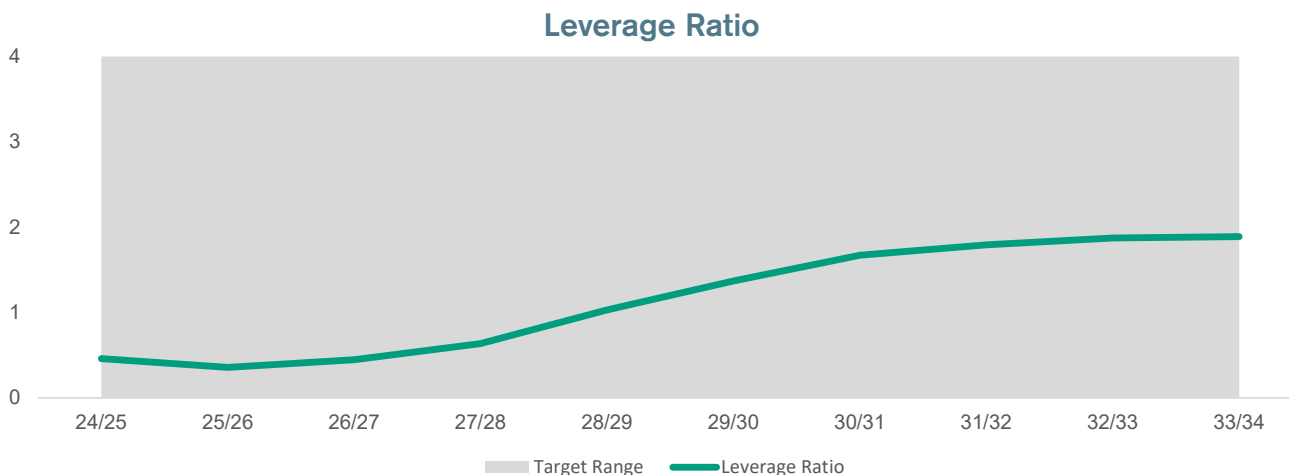
In accordance with council's Debt Policy, new borrowings are only used to fund capital expenditure, for a period less than or equal to the estimated useful life of the asset(s) and not exceeding 20 years.

Council is committed to growing our region and this is reflected through the investment of over \$1.7 billion in capital infrastructure over the next 10 years. This plan will require new borrowings of ~\$312 million over the ten-year term of this plan. New debt and long-term debt balances (indexed values) are shown in the graph below.



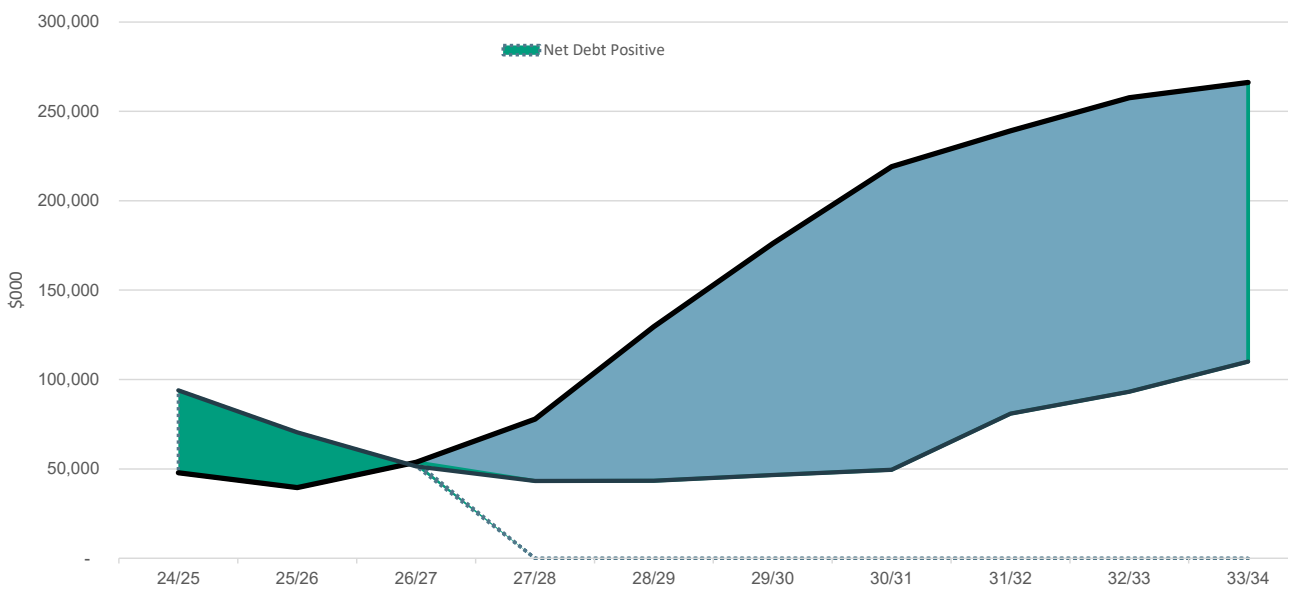
Sustainability reviews are undertaken by Queensland Treasury Corporation to ensure current budgeting, forecasting and financing assumptions are sustainable. Market conditions are also reviewed annually to determine the optimum time to make additional loan repayments.

The Leverage Ratio indicates council's ability to repay existing loans. It measures the relative size of councils debt to its operating performance. A higher leverage ratio indicates an increasingly limited capacity to support additional borrowings due to already high debt levels. Council maintains a relatively low leverage ratio over the life of the ten-year forecast period.



Net debt, calculated as total debt minus cash and cash equivalents, is a factor considered in Queensland Treasury Corporation sustainability reviews. The graph indicates council's strategy to use surplus cash balances and constrained cash reserves first before increasing borrowings to fund increased capital programme in later years. Although debt is expected to exceed cash in later years, the Leverage Ratio demonstrates council's ability to continue to service debt during the forecast period.

Net Debt Position



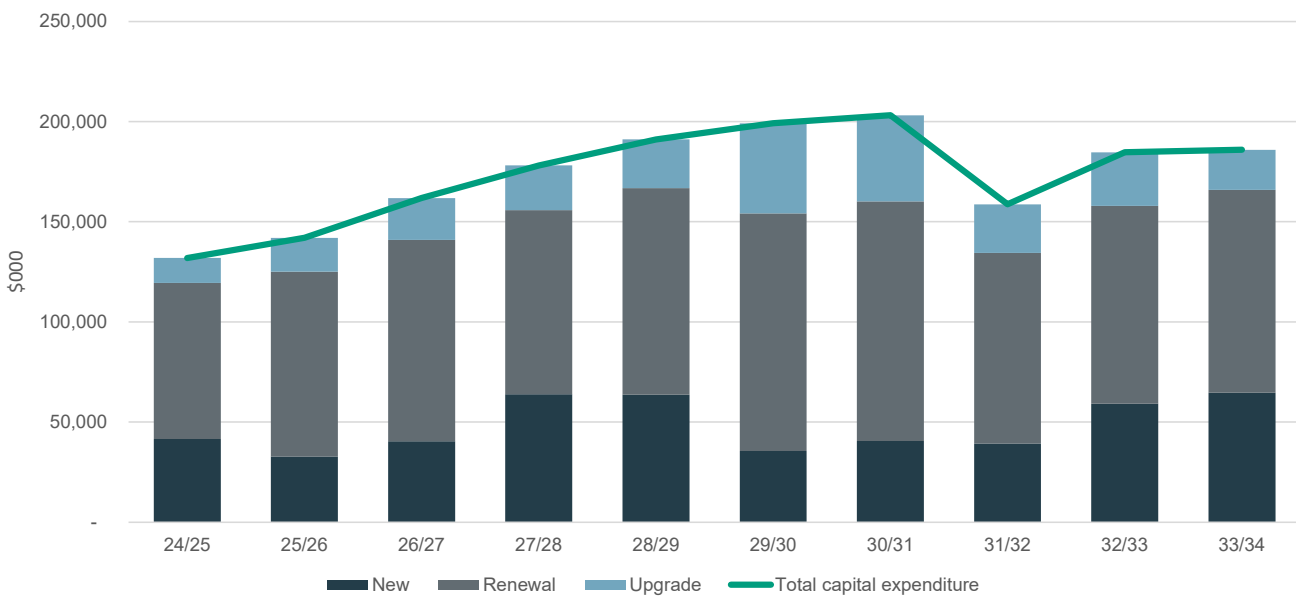


7.

ASSET MANAGEMENT AND CAPITAL EXPENDITURE

Council is responsible for the provision of a diverse range of services to meet community needs and expectations. A significant number of these services are provided through infrastructure and other non-current assets (referred to as property, plant and equipment). Each year council invests in planned renewal, upgrade or new projects to maintain or enhance our existing asset base through the asset plan as guided by the Corporate Plan. Council's Asset Management Plans quantify the asset portfolio and requirements to manage assets across their life cycle in a financially sustainable manner by incorporating the knowledge of asset condition, risk and impact of reviewing and setting intervention and service levels for each asset class.

Capital Expenditure (including donated capital)

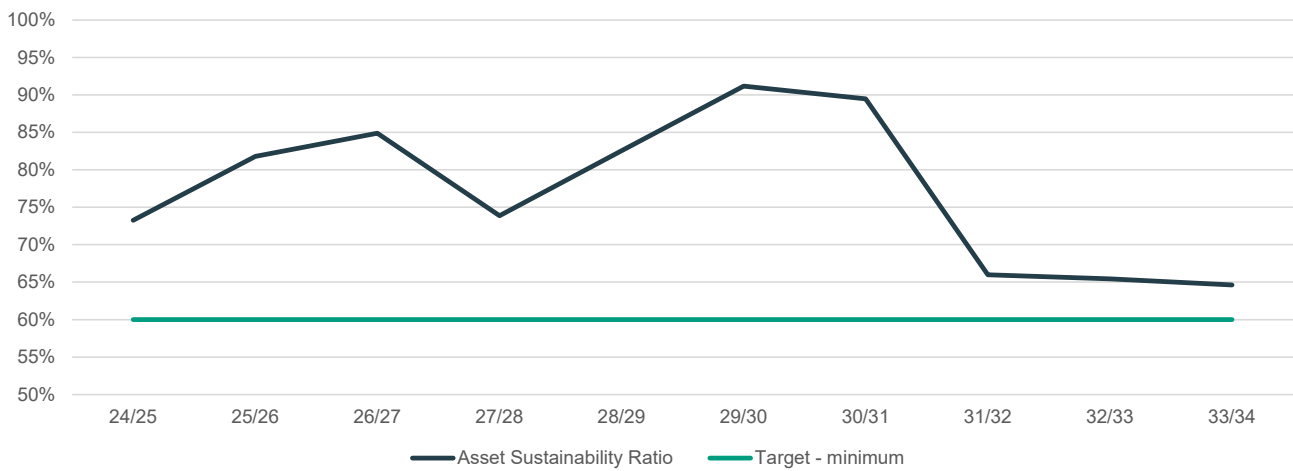


Council's projected ten-year capital program by spending type

Key Performance Information

The Asset Sustainability Ratio approximates the extent to which the infrastructure assets are being replaced as they reach the end of their useful lives. Continuing refinement of council's asset management plans will improve council's ability to make informed decisions regarding asset management in the future.

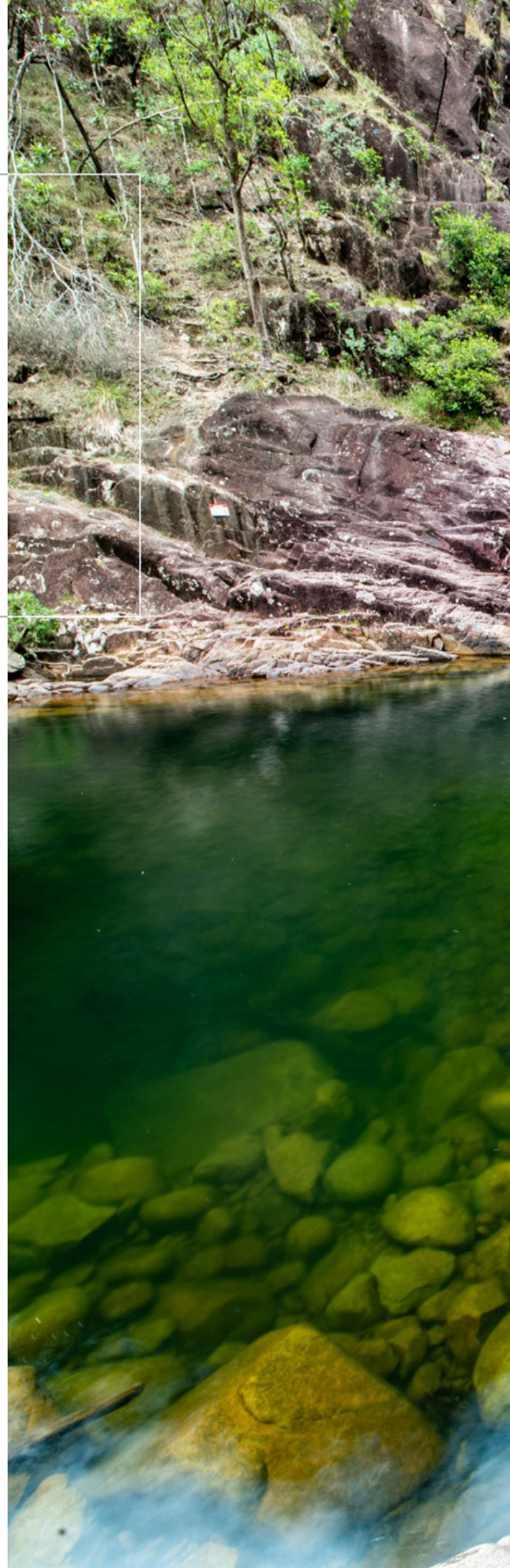
Asset Sustainability Ratio



The Capital Consumption Ratio measures the extent to which council's infrastructure assets have been consumed compared to what it cost to build new assets with the same benefits to the community. A ratio above 60 per cent indicates that council's assets are being broadly consumed in line with their estimated lives.

Capital Expenditure Ratio





Appendices

- **Statement of Income and Expenses
(including long term forecast until 2033/34)**
Presents council's consolidated revenues (where the money comes from) and expenses (where the money is spent)
- **Statement of Financial Position
(including long term forecast until 2033/34)**
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
(including long term forecast until 2033/34)**
Reports changes to equity (council's assets net of liabilities)
- **Statement of Cash Flow
(including long term forecast until 2033/34)**
Reports how revenue received, and expenses paid impact council's cash balances
- **Key Financial Sustainability Ratios
(including long term forecast until 2033/34)**
- **Long Term Capital Works Program**



MACKAY REGIONAL COUNCIL
STATEMENT OF INCOME AND EXPENSES
 For the year ending 30 June 2025
 (including long term forecast until 2033/34)

	Budget 2024/25 \$000	Forward Estimate												
		2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000				
Operating revenue														
Rates and charges	274,129	289,033	301,309	316,791	330,716	354,404	365,934	382,392	395,194	408,427				
Discounts	(12,439)	(13,117)	(13,700)	(14,450)	(15,124)	(16,277)	(16,806)	(17,583)	(18,170)	(18,777)				
Remissions	(2,688)	(2,777)	(2,860)	(2,939)	(3,012)	(3,088)	(3,165)	(3,244)	(3,325)	(3,408)				
Net Rates and charges	259,002	273,139	284,749	299,402	312,580	335,039	345,963	361,565	373,699	386,242				
Fees and charges	21,840	22,560	23,237	23,876	24,473	25,085	25,712	26,355	27,014	27,689				
Rental income	1,561	1,613	1,661	1,707	1,750	1,793	1,838	1,884	1,931	1,980				
Sales - contracts and recoverable works	7,576	7,826	8,061	8,282	8,489	8,702	8,919	9,142	9,371	9,605				
Grants and subsidies	10,538	10,886	11,212	11,521	11,809	12,104	12,406	12,717	13,034	13,360				
Interest earned	6,338	6,387	4,863	4,375	3,654	3,224	3,347	3,544	4,311	4,681				
Other operating revenue	6,168	6,371	6,562	6,743	6,911	7,084	7,261	7,443	7,629	7,820				
Total operating revenue	\$ 313,023	\$ 328,782	\$ 340,345	\$ 355,906	\$ 369,666	\$ 393,031	\$ 405,446	\$ 422,650	\$ 436,989	\$ 451,377				
Operating expenses														
Employee costs	105,650	111,508	116,565	121,567	126,475	131,581	137,568	143,828	150,372	157,214				
Materials and services	103,251	109,058	111,656	115,628	118,150	121,193	124,358	128,147	130,911	134,105				
Finance costs	7,003	7,453	7,207	7,847	8,590	10,869	12,896	14,805	15,738	16,671				
Depreciation	96,817	100,123	103,401	104,697	102,370	105,060	107,657	110,145	112,484	114,961				
Total operating expenses	\$ 312,721	\$ 328,142	\$ 338,829	\$ 349,739	\$ 355,585	\$ 368,703	\$ 382,479	\$ 396,925	\$ 409,505	\$ 422,951				
Operating result	\$ 302	\$ 640	\$ 1,516	\$ 6,167	\$ 14,081	\$ 24,328	\$ 22,967	\$ 25,725	\$ 27,484	\$ 28,426				
Capital revenue														
Grants and subsidies	14,766	19,056	22,086	35,681	21,007	24,229	28,192	28,118	30,501	41,232				
Contributions from developers	4,500	5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,000				
Donated assets	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000				
Other capital income	-	-	-	-	-	-	-	-	-	-				
Total capital revenue	\$ 23,266	\$ 28,556	\$ 32,086	\$ 46,181	\$ 32,007	\$ 35,729	\$ 40,192	\$ 40,618	\$ 43,501	\$ 54,232				
Capital expenses														
Loss on disposal or sale of assets	464	488	503	507	(102)	351	176	363	593	471				
Revaluation decrement and loss on impairment	-	-	-	-	-	-	-	-	-	-				
Other capital expenses	2,000	2,000	2,000	2,000	2,000	2,108	2,190	2,095	2,000	2,000				
Total capital expenses	\$ 2,464	\$ 2,488	\$ 2,503	\$ 2,507	\$ 1,898	\$ 2,459	\$ 2,366	\$ 2,458	\$ 2,593	\$ 2,471				
Net result	\$ 21,104	\$ 26,708	\$ 31,099	\$ 49,841	\$ 44,190	\$ 57,598	\$ 60,793	\$ 63,885	\$ 68,392	\$ 80,187				
Other comprehensive income														
Increase or (decrease) in asset revaluation surplus	-	123,204	117,507	111,675	105,597	110,057	114,872	119,922	124,565	129,041				
Total comprehensive income for the year	\$ 21,104	\$ 149,912	\$ 148,606	\$ 161,516	\$ 149,787	\$ 167,655	\$ 175,665	\$ 183,807	\$ 192,957	\$ 209,228				

MACKAY REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ending 30 June 2025
 (including long term forecast until 2033/34)

	Budget 2024/25 \$000	Forward Estimate											
		2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000			
Current assets													
Cash, cash equivalents and investments	93,967	70,421	51,377	43,284	43,438	46,548	49,478	80,960	93,196	110,002			
Trade and other receivables	22,686	23,848	24,817	25,933	27,075	28,835	29,744	30,918	32,006	33,043			
Contract assets	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500			
Other assets	4,506	4,506	4,506	4,506	4,506	4,506	4,506	4,506	4,506	4,506			
Inventories	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136			
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-			
Total current assets	\$ 127,795	\$ 105,411	\$ 87,336	\$ 80,359	\$ 81,655	\$ 86,525	\$ 90,364	\$ 123,020	\$ 136,344	\$ 154,187			
Non-Current Assets													
Investments	5,580	5,580	5,580	5,580	5,580	5,580	5,580	5,580	5,580	5,580			
Trade and other receivables	-	-	-	-	-	-	-	-	-	-			
Property, plant and equipment	3,990,763	4,152,888	4,325,835	4,507,961	4,699,930	4,901,242	5,108,982	5,274,617	5,468,293	5,665,265			
Intangible assets	4,074	4,043	4,011	3,986	3,972	3,968	3,968	3,968	3,968	3,968			
Right of use assets	1,063	982	902	822	742	662	582	502	451	420			
Total non-current assets	\$ 4,001,480	\$ 4,163,493	\$ 4,336,328	\$ 4,518,349	\$ 4,710,224	\$ 4,911,462	\$ 5,119,112	\$ 5,284,667	\$ 5,478,292	\$ 5,675,233			
Total assets	\$ 4,129,275	\$ 4,268,904	\$ 4,423,664	\$ 4,598,708	\$ 4,791,879	\$ 4,997,977	\$ 5,209,476	\$ 5,407,687	\$ 5,614,636	\$ 5,829,420			
Current liabilities													
Contract liabilities	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500			
Lease liabilities	73	79	78	78	84	86	90	66	31	31			
Trade and other payables	8,909	9,998	9,625	9,937	10,182	10,445	10,718	11,011	11,282	11,556			
Employee entitlements	2,026	2,139	2,235	2,325	2,426	2,523	2,638	2,751	2,884	3,015			
Borrowings	8,252	5,860	6,845	6,130	6,023	8,005	9,996	11,421	11,179	12,278			
Provisions	2,560	8,233	10,953	8,560	8,425	7,659	6,014	4,929	3,338	3,338			
Other liabilities	18,021	20,779	20,779	20,779	20,779	20,779	20,779	20,779	20,779	20,779			
Total current liabilities	\$ 43,341	\$ 49,988	\$ 54,015	\$ 51,309	\$ 51,419	\$ 52,997	\$ 53,735	\$ 54,457	\$ 52,993	\$ 54,497			
Non-current liabilities													
Lease liabilities	1,137	1,058	980	902	818	732	642	576	545	514			
Trade and other payables	-	-	-	-	-	-	-	-	-	-			
Employee entitlements	1,601	1,601	1,601	1,601	1,601	1,601	1,601	1,601	1,601	1,601			
Borrowings	39,590	33,730	46,887	71,760	123,543	168,044	209,054	227,636	246,461	253,885			
Provisions	76,502	68,270	57,317	48,756	40,331	32,781	26,957	22,123	18,785	15,446			
Other liabilities	3,031	273	273	273	273	273	273	273	273	273			
Total non-current liabilities	\$ 121,861	\$ 104,932	\$ 107,058	\$ 123,292	\$ 166,566	\$ 203,431	\$ 238,527	\$ 252,209	\$ 267,665	\$ 271,719			
Total liabilities	\$ 165,202	\$ 154,920	\$ 161,073	\$ 174,601	\$ 217,985	\$ 256,428	\$ 292,262	\$ 306,666	\$ 320,658	\$ 326,216			
Net community assets	\$ 3,964,073	\$ 4,113,984	\$ 4,262,591	\$ 4,424,107	\$ 4,573,894	\$ 4,741,549	\$ 4,917,214	\$ 5,101,021	\$ 5,293,978	\$ 5,503,204			
Community equity													
Retained surplus	2,352,983	2,379,691	2,410,790	2,460,631	2,504,821	2,562,419	2,623,212	2,687,097	2,755,489	2,835,675			
Asset revaluation reserve	1,611,090	1,734,293	1,851,801	1,963,476	2,069,073	2,179,130	2,294,002	2,413,924	2,538,489	2,667,529			
Total community assets	\$ 3,964,073	\$ 4,113,984	\$ 4,262,591	\$ 4,424,107	\$ 4,573,894	\$ 4,741,549	\$ 4,917,214	\$ 5,101,021	\$ 5,293,978	\$ 5,503,204			

MACKAY REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
 For the year ending 30 June 2025
 (including long term forecast until 2033/34)

	Budget 2024/25 \$000	Forward Estimate											
		2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000			
Retained Surplus													
Opening balance	2,331,878	2,352,982	2,379,691	2,410,789	2,460,630	2,504,820	2,562,418	2,623,211	2,687,096	2,755,488	2,835,675		
Adjustment to opening balance	-	-	31,099	49,841	44,190	57,598	-	60,793	63,885	68,392	80,187		
Net result for the period	21,104	26,708	-	-	-	-	-	-	-	-	-		
Closing balance	\$ 2,352,982	\$ 2,379,691	\$ 2,410,789	\$ 2,460,630	\$ 2,504,820	\$ 2,562,418	\$ 2,623,211	\$ 2,687,096	\$ 2,755,488	\$ 2,835,675			
Asset Revaluation Reserve													
Opening balance	1,611,090	1,611,091	1,734,293	1,851,802	1,963,477	2,069,074	2,179,131	2,294,003	2,413,925	2,538,490	2,667,531		
Adjustment to opening balance	-	-	-	-	-	-	-	-	-	-	-		
Asset revaluation adjustments	1	123,202	117,509	111,675	105,597	110,057	114,872	119,922	124,565	129,041			
Closing balance	\$ 1,611,091	\$ 1,734,293	\$ 1,851,802	\$ 1,963,477	\$ 2,069,074	\$ 2,179,131	\$ 2,294,003	\$ 2,413,925	\$ 2,538,490	\$ 2,667,531			
Total													
Opening balance	3,942,968	3,964,073	4,113,984	4,262,591	4,424,107	4,573,894	4,741,549	4,917,214	5,101,021	5,293,978			
Adjustment to opening balance	-	-	-	-	-	-	-	-	-	-	-		
Net result for the period	21,104	26,708	31,099	49,841	44,190	57,598	60,793	63,885	68,392	80,187			
Asset revaluation adjustments	1	123,202	117,509	111,675	105,597	110,057	114,872	119,922	124,565	129,041			
TOTAL COMMUNITY EQUITY	\$ 3,964,073	\$ 4,113,984	\$ 4,262,591	\$ 4,424,107	\$ 4,573,894	\$ 4,741,549	\$ 4,917,214	\$ 5,101,021	\$ 5,293,978	\$ 5,503,206			

**MACKAY REGIONAL COUNCIL
STATEMENT OF CASH FLOW
For the year ending 30 June 2025
(including long term forecast until 2033/34)**

	Budget	Forward Estimate									
	2024/25 \$000	2025/26 \$000	2026/27 \$000	2027/28 \$000	2028/29 \$000	2029/30 \$000	2030/31 \$000	2031/32 \$000	2032/33 \$000	2033/34 \$000	
Cash flows from operating activities:											
Receipts from customers	294,788	310,373	323,327	338,915	353,085	375,965	388,807	405,236	418,580	432,323	
Payments to suppliers and employees	(216,635)	(227,813)	(241,579)	(253,347)	(258,576)	(266,721)	(275,226)	(283,761)	(292,142)	(300,743)	
	\$ 78,153	\$ 82,560	\$ 81,748	\$ 85,568	\$ 94,509	\$ 109,244	\$ 113,581	\$ 121,475	\$ 126,438	\$ 131,580	
Interest received	6,338	6,387	4,863	4,375	3,654	3,224	3,347	3,544	4,311	4,681	
Non capital grants and contributions	10,491	10,860	11,188	11,500	11,785	12,082	12,384	12,696	13,008	13,336	
Borrowing Costs	(1,878)	(2,164)	(1,759)	(2,249)	(2,852)	(4,988)	(6,868)	(8,626)	(9,404)	(10,179)	
Net cash inflow (outflow) from operating activities	\$ 93,104	\$ 97,643	\$ 96,040	\$ 99,194	\$ 107,096	\$ 119,562	\$ 122,444	\$ 129,089	\$ 134,353	\$ 139,418	
Cash flow from investing activities:											
Payments for property, plant and equipment	(127,895)	(137,984)	(157,807)	(174,122)	(187,122)	(195,154)	(199,195)	(154,716)	(180,709)	(181,910)	
Payments for intangible assets	-	-	-	-	-	-	-	-	-	-	
Net movement in loans and advances	-	-	-	-	-	-	-	-	-	-	
Proceeds from sale of property plant and equipment	1,965	2,574	2,574	2,574	2,574	2,574	2,574	2,574	2,574	2,574	
Grants, subsidies, contributions and donations	19,267	24,556	28,086	42,181	28,007	31,729	36,192	36,618	39,501	50,232	
Other investing activities	(5,580)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	
Net cash inflow (outflow) from investing activities	\$ (112,243)	\$ (112,864)	\$ (129,147)	\$ (131,367)	\$ (158,541)	\$ (162,851)	\$ (162,429)	\$ (117,524)	\$ (140,634)	\$ (131,104)	
Cash flow from financing activities:											
Proceeds from borrowings	20,000	-	20,000	31,000	57,800	52,500	51,000	30,000	30,000	19,700	
Repayment of borrowings	(11,008)	(8,252)	(5,858)	(6,842)	(6,123)	(6,017)	(7,999)	(9,993)	(11,417)	(11,177)	
Principal lease repayments	(71)	(73)	(79)	(78)	(78)	(84)	(86)	(90)	(66)	(31)	
Net cash inflow (outflow) from financing activities	\$ 8,921	\$ (8,325)	\$ 14,063	\$ 24,080	\$ 51,599	\$ 46,399	\$ 42,915	\$ 19,917	\$ 18,517	\$ 8,482	
Net increase (decrease) in cash held	\$ (10,218)	\$ (23,546)	\$ (19,044)	\$ (8,093)	\$ 154	\$ 3,110	\$ 2,930	\$ 31,482	\$ 12,236	\$ 16,806	
Cash at beginning of reporting period	104,185	93,967	70,421	51,377	43,284	43,438	46,548	49,478	80,960	93,196	
Cash at end of reporting period	\$ 93,967	\$ 70,421	\$ 51,377	\$ 43,284	\$ 43,438	\$ 46,548	\$ 49,478	\$ 80,960	\$ 93,196	\$ 110,002	

2025 Long-Term Sustainability Statement

Type	Measure	Target (Tier 2)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Financial Capacity	Council-Controlled Revenue*	N/A	89.7%	89.9%	90.5%	90.8%	91.2%	91.6%	91.7%	91.8%	91.7%	91.7%
	Population Growth*	N/A	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.1%	1.0%
	Operating Surplus Ratio	Greater than 0%	0.1%	0.2%	0.4%	1.7%	3.8%	6.2%	5.7%	6.1%	6.3%	6.3%
Operating Performance	Operating Cash Ratio	Greater than 0%	33.3%	32.9%	32.9%	33.4%	33.8%	35.7%	35.4%	35.7%	35.6%	35.5%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 2 months	4.9	N/A for long-term sustainability statement								
	Asset Sustainability Ratio	Greater than 60%	73.3%	81.8%	84.9%	73.9%	82.6%	91.2%	89.5%	66.0%	65.4%	64.6%
Asset Management	Asset Consumption Ratio	Greater than 60%	59.7%	62.6%	63.8%	64.9%	65.9%	67.0%	68.1%	69.2%	70.1%	71.1%
	Asset Renewal Funding Ratio*	N/A	Information not currently available to calculate ratio.	N/A for long-term sustainability statement								
Debt Servicing Capacity	Leverage Ratio**	0 to 4 times	0.5	0.4	0.5	0.7	1.0	1.3	1.5	1.6	1.7	1.7

* 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 long term forecast until 2033/34)**

	Budget 2024/25 \$'000	Forward Estimate										
		2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	2033/34 \$'000		
Buildings and Facilities	10,743	12,690	9,812	29,820	31,850	7,721	4,096	3,652	4,319	5,693		
Renewal	5,405	10,620	9,121	9,380	10,106	6,027	4,034	3,587	4,251	5,622		
Upgrade	634	113	117	-	-	-	-	-	-	-		
New	4,704	1,957	575	20,440	21,744	1,694	62	65	68	71		
Parks, Gardens, Coastal & Foreshores, Waste	20,354	13,176	12,271	17,844	21,802	12,018	13,095	5,698	3,925	5,800		
Renewal	5,517	5,256	5,998	6,000	6,098	9,234	12,415	3,985	2,899	3,249		
Upgrade	1,555	1,771	845	1,141	988	380	392	1,070	182	187		
New	13,282	6,149	5,828	10,103	14,716	2,404	288	644	844	2,365		
Land	-	-	-	1,398	-	-	-	-	-	35		
Renewal	-	-	-	-	-	-	-	-	-	-		
Upgrade	-	-	-	-	-	-	-	-	-	-		
New	-	-	-	1,398	-	-	-	-	-	-		
Plant & Equipment	11,996	14,394	16,112	15,371	14,358	16,314	14,880	14,768	15,819	15,962		
Renewal	11,848	14,178	15,792	15,371	14,235	16,314	14,880	14,768	15,819	15,962		
Upgrade	-	135	291	-	-	-	-	-	-	-		
New	147	81	29	-	123	-	-	-	-	-		
Roads, Drainage & Network	57,166	64,367	71,262	63,635	72,646	92,810	95,722	106,682	100,635	88,811		
Renewal	38,845	35,338	38,717	37,046	47,299	47,026	51,235	50,964	53,959	49,915		
Upgrade	7,062	9,861	10,533	11,473	9,563	19,502	21,401	21,671	25,065	14,420		
New	11,259	19,168	22,013	15,116	15,783	26,281	23,086	34,047	21,620	24,477		
Sewerage	11,367	12,517	19,920	23,009	16,004	41,803	44,398	8,726	40,007	46,435		
Renewal	8,262	9,846	10,064	10,889	10,843	20,429	20,960	6,910	6,497	10,471		
Upgrade	1,967	2,202	4,990	5,350	2,006	21,082	21,163	1,419	1,004	2,635		
New	1,138	469	4,866	6,770	3,154	292	2,275	396	32,506	33,329		
Water	16,268	20,850	28,429	23,045	30,462	24,488	27,003	15,191	16,005	19,174		
Renewal	7,995	17,034	21,288	12,728	14,649	19,715	16,084	14,966	15,371	16,093		
Upgrade	1,214	2,829	4,099	4,314	11,720	3,955	97	126	502	2,690		
New	7,059	987	3,042	6,003	4,094	818	10,822	99	132	390		
Quarry and Landfill Remediation	2,264	2,560	8,233	10,953	8,560	8,425	7,659	6,014	4,929	3,338		
Renewal	2,264	2,560	8,233	10,953	8,560	8,425	7,659	6,014	4,929	3,338		
Upgrade	-	-	-	-	-	-	-	-	-	-		
New	-	-	-	-	-	-	-	-	-	-		
\$	130,158	140,555	166,039	185,076	195,682	203,579	206,853	160,730	185,638	185,248		

Long-Term Financial Forecast

2025-2034

MACKAY REGIONAL COUNCIL
BUDGET 2024-2025



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

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