

2025/26

Townsville City Council

Statement of Estimated Financial Position



Our Vision

A globally connected community
driven by lifestyle and nature.

Our Purpose

Grow Townsville



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Acknowledgement of Country

Townsville City Council acknowledges
the Wulgurukaba of Gurambilbarra and
Yunbenun, Bindal, Gugu Badhun and Nywaigi
as the Traditional Owners of this land.

We pay our respects to their cultures, their
ancestors and their Elders, past, present and
all future generations.

Statement of Estimated Financial Position

Statement of Income and Expenditure

The report below outlines the estimated financial result for the period ended 30 June 2025. The forecast has been developed through consultation with relevant Council stakeholders to reflect the most informed expectation of Council's financial performance for 2024/25.

Material variances between the 2024/25 Mid-Year Budget Review and forecast results estimated for this financial year are explained below. It is anticipated that the final June 2025 results will be available in October 2025 on completion of the financial year and external audit.

	Mid-Year Budget Review 2024/25 \$'000	Estimated Financial Position 2024/25 \$'000	Variance \$'000
Revenue			
General rates	211,885	212,450	565
Utility charges	245,248	246,841	1,593
Water	117,235	117,484	250
Wastewater	98,070	99,182	1,111
Refuse and recycling	29,943	30,175	232
Discounts and concessions	(16,466)	(16,525)	(59)
Fees and charges	42,289	42,992	703
Interest received	2,601	3,339	738
Contributions from developers	300	300	-
Grants and subsidies	14,015	13,379	(635)
Other revenue	11,672	13,108	1,435
Total revenue	511,543	515,883	4,340
Expenses			
Employee costs	178,898	165,274	13,624
Materials and services	191,433	182,969	8,465
Depreciation and amortisation	147,000	153,266	(6,266)
Finance costs	19,591	19,341	251
Other expenses	445	2,433	(1,988)
Total expenses	537,368	523,283	14,086
Operating surplus / (deficit) excluding impact of Natural Disaster events	(25,825)	(7,400)	18,426
Natural Disaster events			
Revenue	7,134	27,108	19,974
Expenses			
Employee costs	317	6,225	(5,909)
Materials and services	536	17,697	(17,161)
Other expenses	-	14	(14)
Total expenses related to DRFA	853	23,936	(23,083)
Operating surplus / (deficit) including impact of Natural Disaster events	(19,544)	(4,227)	15,317
Capital income			
Grants, subsidies, contributions and donations	165,376	87,066	(78,309)
Other capital revenue	-	63	63
Gain / (loss) on sale of property plant and equipment	(12,895)	(2,538)	10,357
Total capital income	152,481	84,591	(67,890)
Net result	132,937	80,364	(52,573)

Figures in tables and generally in the text throughout this document have been rounded. Any discrepancies in tables between totals and sums of components are due to rounding

Operating Result

The forecast operating deficit is \$4.2 million. This is a favourable movement of \$15.3 million when compared to the Mid-Year Review budget deficit of \$19.5 million.

Council's financial position was impacted by severe weather events in 2024/25. The operating position will be split into two components.

Budget Variance Detail Excluding Impact of Natural Disaster Events

Operating Revenue

Forecast operating revenue is \$515.9 million compared to a budget of \$511.5 million. Council's revenue is forecast to be \$4.3 million higher than budget. The major movements are set out below:

- General rates are forecast to be above budget \$0.6 million due to higher number of rateable properties than budgeted.
- Utility charges are forecast to be above budget \$1.6 million:
 - Favourable variance across water charges of \$0.3 million driven by increased water consumption by commercial and water watcher customers. Offset by reduced excess water charges resulting from a wetter than average year;
 - Favourable variance in wastewater utilities of \$1.1 million primarily related to commercial sewerage connections and trade waste customers;
 - Favourable variance in refuse & recycling of \$0.2 million related to residential bin collections.
- Fees and charges revenue is forecast to be above budget by \$0.7 million primarily driven by increased commercial tonnages at the landfill, planning applications and parking Infringements. This has been partially offset by unfavourable variances across animal registrations and parking revenue.
- Interest revenue is forecast to be above budget by \$0.7 million driven by higher cash holdings.
- Grants and subsidies are forecast to be below budget by \$0.6 million. This predominantly relates to funding for environment and sustainability projects which will now be received in the 2025/26 financial year, aligning with project delivery milestones.
Other revenue is forecast to be above budget \$1.4 million. The variance is largely attributed to additional commercial bin collections, sale of scrap and additional fuel tax credits.

Operating Expenses

Forecast operating expenditure is \$523.3 million compared to a budget of \$537.4 million. Council's operating costs are forecast to be \$14.1 million lower than budget. The major drivers of this forecast variance are as follows:

- Employee costs are forecast to be below budget by \$13.6 million, resulting from current staff vacancies, combined with a significant reallocation of staffing resources to disaster recovery works required following the significant rain events in early 2025.

- Materials and services are forecast to be below budget by \$8.5 million due to:
 - Favourable variance due to the diversion of resources in response to the recent rain event, including;
 - Roads and Transport and Drains and Stormwater Services \$3.3 million;
 - Engineering & Asset Infrastructure Planning \$0.8 million;
 - Sustainability and Environmental Services \$0.5 million;
 - Parks and Open Space Management \$0.2 million.
 - Favourable variance of \$4.1 million related to Project Connect, Council's enterprise system upgrade. The project delivery timeline has been revised and this project will continue in 2025/26;
 - Favourable variance of \$2.1 million across IT Services, primarily attributed to the review of project delivery timeframes;
 - Favourable variance of \$1.5 million for the Fleet Management Service relating to timing of fleet repairs and reduction in fuel prices;
 - Favourable variance of \$1.1 million across employee related expenses, including recruitment and training, driven by staff vacancies;
 - Favourable variance of \$0.4 million for Sustainability projects that will be delivered in 2025/26;

Offset by:

- Unfavourable variance of \$4.6 million for the reclassification of project expenditure from capital to operational works.
- Depreciation is forecast to be above budget by \$6.3 million following capitalisation of projects;
- Finance costs are forecast to be below budget by \$0.3 million. Loan interest of \$0.8 million relates to the timing of loan drawdowns, initially budgeted for December 2024 but will now occur in June 2025. This is offset by increased finance costs associated with the landfill restoration provision.
- Other expenses are forecast to be above budget by \$2.0 million. This relates to \$1.3 million incurred for GEO-Tab software rolled out across Councils fleet vehicles combined with unanticipated doubtful debts being realised. The remaining \$0.7 million reflects revised cost estimates for the landfill restoration provision.

Budget Variance Detail for Natural Disaster Events

Operating Revenue

Forecast operating revenue is \$27.1 million compared to a budget of \$7.1 million. Council's revenue is forecast to be \$20.0 million higher than budget. The increased revenue relates to a \$20.0 million advance payment received from Queensland Reconstruction Authority (QRA) in response to the severe rain events that occurred in the early months of 2025.

Operating Expenses

Forecast operating expenditure is \$23.9 million compared to a budget of \$0.9 million. Expenditure has been allocated to the following events:

- North and Far North Tropical Low 29 January - 28 February 2025 (\$20.1 million);
- Northern and Central Qld Monsoon and Flooding, 20 December 2022 - 30 April 2023 (\$2.2 million);
- March 2025 rain event (\$0.7 million);
- Cyclone Kirrily (\$0.6 million);
- Other (\$0.3 million).

Capital Result

Capital Revenue

Forecast capital revenue is \$84.6 million compared to a budget of \$152.5 million. The forecast unfavourable variance of \$67.9 million is largely attributed to:

- \$61.4 million for the Houghton Pipeline Duplication and Ross River Dam to DWTP projects, relating to grant revenue assumptions not realised;
- \$22.6 million for Lansdown Eco-Industrial Precinct, W4Q, Blackspot and Disaster Recovery projects, relating to the recognition of revenue in line with project expenditure. Project expenditure and revenue recognition will continue into 2025/26;

Offset by:

- \$10.4 million relates to decommissioning of the existing Ross River Dam to DWTP Pipeline, as this project will extend into the next financial year;
- \$4.7 million related to developer contributions which are dependent upon the timing of developer activity.

Capital Expenditure

Forecast capital expenditure is \$196.4 million compared to a budget of \$289.6 million. The forecast variance of \$93.2 million is detailed below.

Asset Type	Approved Budget	Estimated Financial Position	Variance	Variance Commentary
	FY \$'000	FY \$'000	FY \$'000	
Water Services	150,932	104,123	46,809	This program includes 40 projects with a combined value of \$150.9m. The variance primarily relates to Haughton Pipeline Stage 2, West End reservoir renewal and the supply of emergency generators. These projects will continue into next financial year.
Roads and Transport Management	48,199	21,686	26,513	This program includes 91 projects with a combined value of \$48.2m. The variance primarily relates to Lansdown Transport Eco-Industrial Precinct project and scheduling changes for disaster recovery works. These projects will continue into next financial year.
Wastewater Services	28,277	14,571	13,705	This program includes 34 projects with a combined value of \$28.3m. The variance primarily relates to the Sewer Inflow and Infiltration Programme and Cleveland Bay Purification Plant (CBPP) Centrifuge Renewal Project. These projects will continue into next financial year.
Parks and Open Space Management	10,276	8,068	2,208	This program includes 26 projects with a combined value of \$10.3m. The variance primarily relates to the Nelly Bay harbour maintenance dredging, which is treated as operating expenditure.
Buildings And Facilities Management	3,021	2,887	135	This program includes 37 projects with a combined value of \$3.0m. The variance primarily relates to Picnic Bay public amenities renewal project that will continue into next financial year.
Resource Recovery	9,292	6,093	3,199	This program includes 11 projects with a combined value of \$9.3m. The variance primarily relates to the Stuart Landfill Leachate Treatment & Disposal project and Hervey Range landfill capping works which will continue into next financial year.
Fleet Management	11,522	11,632	(110)	This program includes 3 packaged projects with a combined value of \$11.5m.
Drain and Stormwater Management	4,183	3,389	795	This program includes 14 projects with a combined value of \$4.1m. The variance primarily relates to Winifred Street Flood Improvement project which will continue into next financial year.
Information Communication Technology	4,005	3,747	257	This program includes 10 projects with a combined value of \$4.0m. The variance primarily relates to the purchase of IT equipment and improvement to SCADA infrastructure which will continue into next year.
Cultural and Community Services	381	393	(12)	This program includes 7 projects with a combined value of \$381k.
Environment and Sustainability Services	1,538	493	1,044	This program includes 4 projects with a combined value of \$1.5m. The variance primarily relates to the Energy Transformation project which will continue into next financial year.
Major Projects	-	1,367	(1,367)	Represents costs related to the Project Management Framework and the Cost Estimation Manual.
Donated Assets	17,980	17,980	-	Timing of donated assets is dependant on developer activity.
Total Variance	289,606	196,430	93,176	

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	Estimated Financial Position 2024/25 \$'000
Current assets	
Cash and cash equivalents	95,064
Receivables	40,810
Contract assets	57,124
Inventories	3,312
Other assets	6,578
Total current assets	<u>202,888</u>
Non-current assets	
Property, plant and equipment	7,049,021
Right-of-use assets	17,155
Intangible assets	186
Other assets	9,686
Total non-current assets	<u>7,076,048</u>
Total assets	<u>7,278,936</u>
Current liabilities	
Payables	62,155
Contract liabilities	11,732
Borrowings	42,059
Lease liabilities	2,227
Provisions	35,317
Other current liabilities	5,051
Total current liabilities	<u>158,541</u>
Non-current liabilities	
Borrowings	386,443
Lease liabilities	16,408
Provisions	35,479
Other non-current liabilities	5,743
Total non-current liabilities	<u>444,073</u>
Total liabilities	<u>602,614</u>
Net community assets	<u>6,676,322</u>
Community equity	
Asset revaluation reserve	2,392,349
Retained surplus	4,283,973
Total community equity	<u>6,676,322</u>



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