City of Townsville

25/26



Townsville City Council

Annual Report

townsville.qld.gov.au

Our Vision

A globally connected community
driven by lifestyle and nature.

Our Purpose

Grow Townsville

City of Townsville

Contact Us

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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.

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Our Annual Report

Council measures its performance in its Annual Report in terms of progress made in implementing the Corporate Plan.

The Annual Report provides information about Townsville City Council and delivery of:

- Townsville 2025-2029 Corporate Plan
- Budget and Operational Plan 2025/26, including Water and Resource Recovery Performance Plans.

In accordance with section 45(b) of the *Local Government Act 2009*, Council has established commercial business units for its significant water and resource recovery business activities.

Council reports its performance by publishing:

- Townsville Dashboards
- Quarterly Performance Reports
- Annual Report
- Ordinary Council Reports.

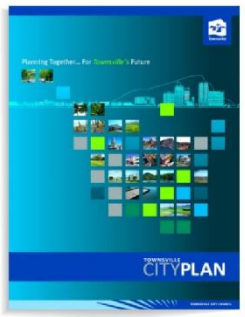
Council's strategies and plans include:

- **Townsville 2025–2029 Corporate Plan**: Outlines the city's shared vision for Townsville and the key issues and priorities for Council over the next five years and beyond
- **Budget and Operational Plan 2025/26**: Council's annual plan to allocate resources to deliver specific projects, activities and events in pursuit of the Corporate Plan goals
- **Townsville City Plan**: Sets the direction for development and growth over the next 25 years
- **Strategic Asset Management Plan:** Articulates the Asset Management System Model, Asset Management Framework and Asset Management Capability Delivery Model for Council
- **Townsville City Deal**: A 15-year commitment between the Australian Government, Queensland Government and Townsville City Council to work together to plan and deliver transformative outcomes for Townsville and its residents.

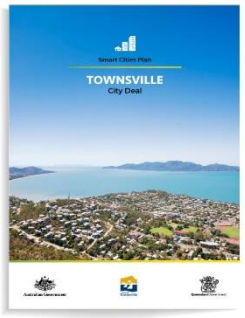
This Annual Report is part of Council's commitment to open, transparent and accountable governance. It identifies community service delivery and demonstrates how Council is meeting its strategic objectives.











Where to get a copy of this Annual Report 2025/26

Our reports are available to view in full, as a flipbook, at Council's website.
Go to https://www.townsville.qld.gov.au/about-council/corporate-information

Feedback on this report

We welcome our community's feedback on this Annual Report for 2025/26.
Please send feedback to enquiries@townsville.qld.gov.au

Welcome



Message from the Mayor

The 2025/26 financial year has been one of progress, resilience and renewal for Townsville.

This annual report outlines the advancement Council has made over the last twelve months towards the organisation's goals outlined in the Townsville 2025-29 Corporate Plan. It highlights the achievements alongside the progress made in our purpose of growing Townsville.

Since being elected as Mayor in November 2025, my focus has been getting back to basics and delivering the essential services, infrastructure and advocacy our community expects. While Council has continued planning for the future, we have remained committed to the fundamentals that keep our city running and support our growing population.

Across the length and breadth of the Local Government Area, we have continued delivering important infrastructure upgrades such as new footpaths around the North Ward precinct, the commencement of landfill upgrades at our Stuart Waste Facility, the completion of Stage 1 and commencement of Stage 2 of the Wulguru Wastewater works, as well as finalising the construction and reopening of the Sooning Street bridge on Magnetic Island.

Community safety and wellbeing have remained key priorities, with investments in public spaces, drainage improvements, disaster preparedness initiatives and ongoing maintenance programs. During the year, Council crews cleared thousands of tonnes of debris from the drainage network, undertook coastal restoration works to ensure the region remained prepared to respond to weather events.

Townsville also celebrated many moments that brought our community together. From Ephemera, Carols by Candlelight, Eco Fiesta and Seniors Luncheon celebrations, to commemorations marking the 80th anniversary of Victory in the Pacific, and major events like Jelly Roll, PBR and Supercars. Our city continued to showcase its vibrant community spirit. We also proudly celebrated the Townsville Fire's fifth WNBL championship, reinforcing Townsville's reputation as one of Australia's premier sporting destinations as we inch closer to being a host city during the Brisbane 2032 Olympics.

The previous financial year (2024/25) laid the foundations for a strong 2025/26, with Council balancing cost-of-living pressures with the need to maintain essential services, renew critical infrastructure and support Townsville's continued growth. As we move into 2026/27, we will maintain our focus on delivering the basics well, alongside investing in the infrastructure our growing city needs and ensuring Townsville remains a great place to live, work and raise a family.

Cr Nick Dametto
Mayor of Townsville



Message from the CEO

Over the last twelve months, Council has remained focused on delivering the essential services, infrastructure and community outcomes that support Townsville's continued growth as a liveable, resilient and globally connected city driven by lifestyle and nature.

For the 2025/26 financial year, Council is reporting an improvement in Community Equity of $130.5 million and an Operating Surplus of $5.2 million. These results are an improvement from the 2024/25 financial year which is the result of the improved budget discipline and control. Focus remains on improving Council's financial sustainability into the future to ensure the community has the required funding levels for the replacement of assets as needed as well as continuity of service.

Our 'Back to Basics' approach has guided work across the organisation, reinforcing the importance of doing the fundamentals well. This has included maintaining and renewing critical assets, strengthening frontline services, improving customer experience and supporting the day-to-day operations that keep Townsville moving.

This year also tested the city's resilience, with severe weather and natural hazards again highlighting the importance of preparedness, recovery and long-term planning. Council teams worked collaboratively to keep the community informed and supported. Council continues to invest in measures that strengthen Townsville's ability to respond to future events.

Council continued to deliver a significant capital program, with a clear focus on maintaining the infrastructure our community relies on every day while planning for the needs of a growing city. This work supports safer, more reliable services and provides the foundations for future investment and development.

Supporting long-term growth remained a priority throughout the year, with Council continuing to strengthen policy settings that encourage housing, development and economic confidence. At the same time, we maintained a strong advocacy focus to secure the investment Townsville needs in transport, water security, community infrastructure and regional liveability.

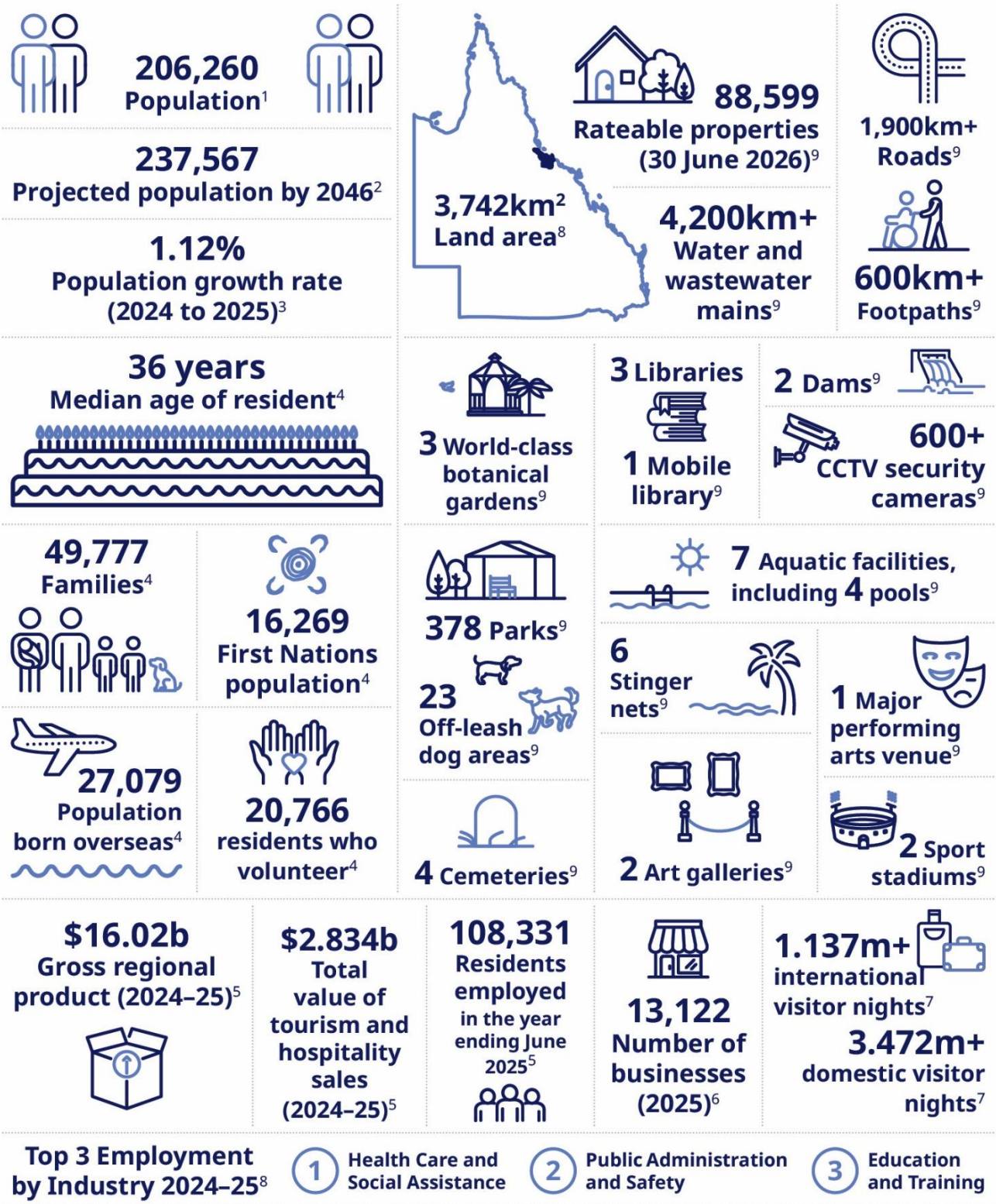
Townsville's strong community spirit was also on display across the year, with residents coming together through major cultural, sporting, commemorative and civic events. These moments continue to strengthen our shared identity and showcase the vibrant lifestyle that makes Townsville a great place to live, work and visit.

This has been a year of practical delivery, renewed focus and getting the basics right. There has been a strong focus on savings, efficiencies and innovation, and this will continue into the future. I would like to thank our Councillors and Council staff for their commitment to serving our community and supporting Council's purpose to grow Townsville. As we look ahead, I am confident we will continue to build on this momentum, delivering the essentials well while positioning Townsville for a sustainable and prosperous future.

Joe McCabe
Chief Executive Officer



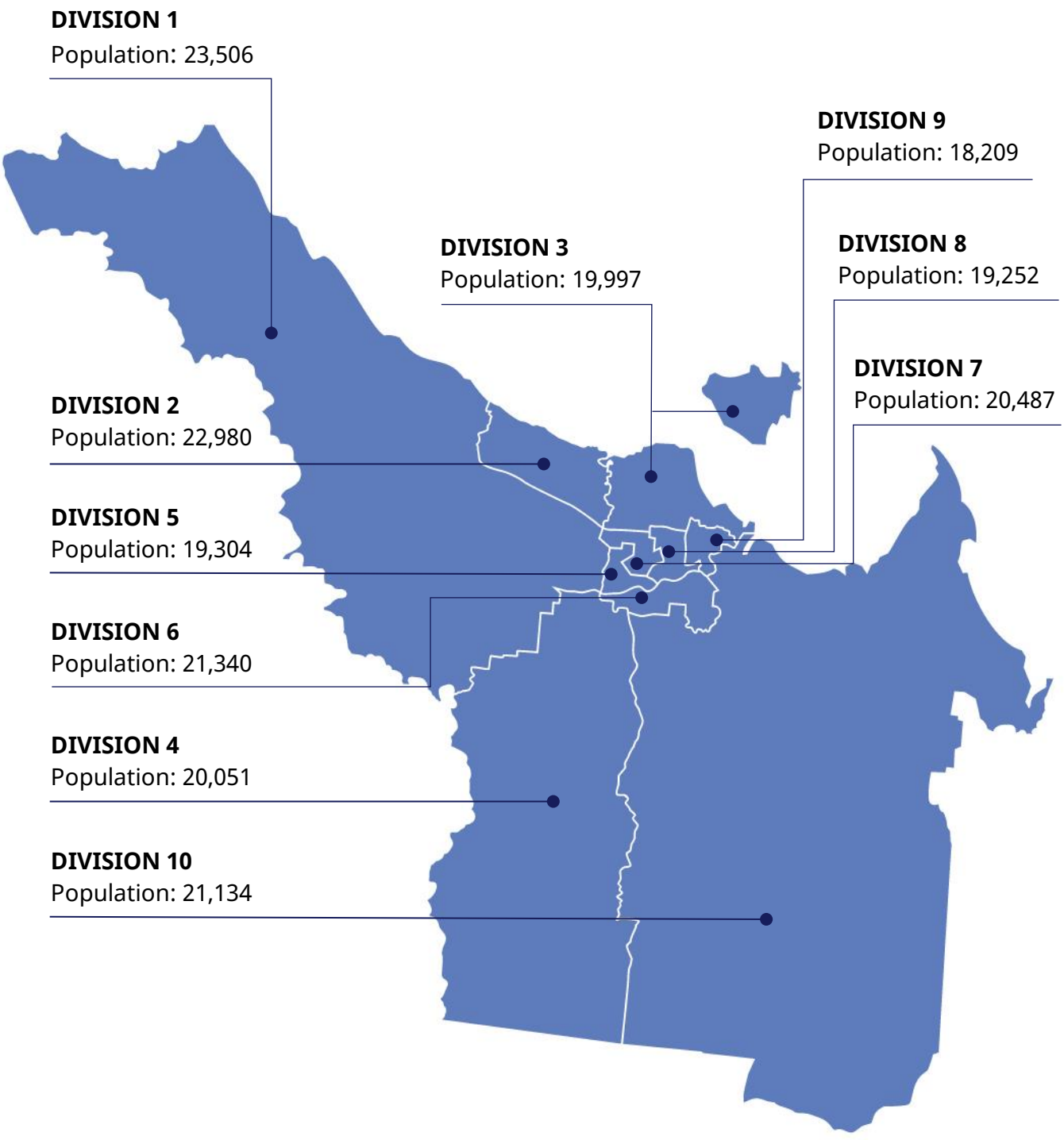
Our City



Source:
1. Australian Bureau of Statistics (2024-25), Regional population
2. Queensland Government Population Projections, 2025 edition
3. Australian Bureau of Statistics, Region Population Growth. Compiled and presented by .id (informed decisions)
4. Australian Bureau of Statistics, Census of Population and Housing 2021
5. National Institue of Economic and Industry Research (NIEIR) @2026
6. Australian Bureau of Statistics, Cpounts of Australian Businesses, including Entries and Exits
7. Tourism Research Australia (National & International Visitor Surveys)
8. National Institute of Economic and Industry Research (NIEIR) ©2026. Compiled and presented in economy.id by .id (informed decisions).
9. Townsville City Council Facilities

Townsville Profile and Demographics

Total Land Area: **374,201 ha**
Estimated Population (2025): **206,260**
Population Density: **55.12 persons per square km**



Source: Australian Bureau of Statistics, Estimated Resident Population at 30 June 2025.

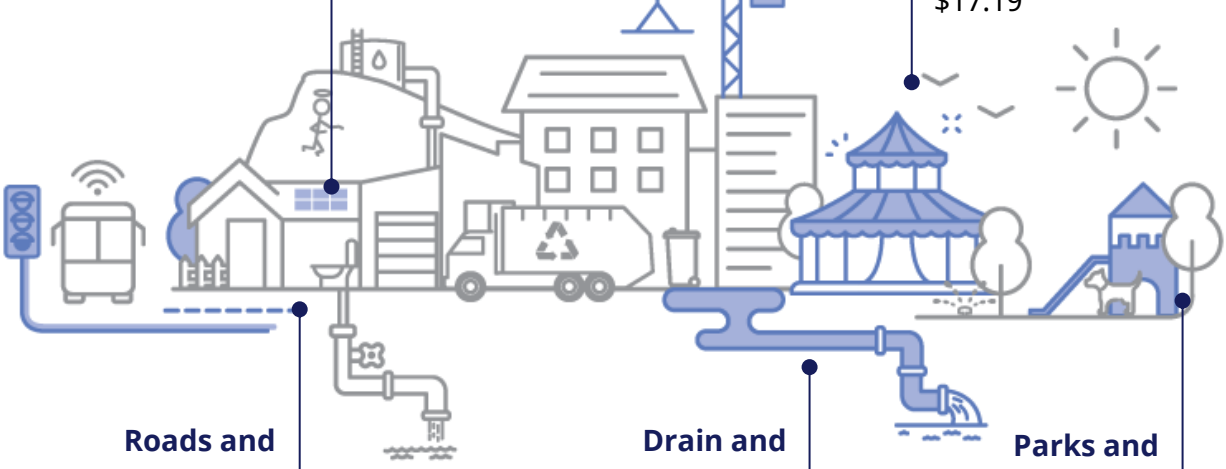
Growing Townsville: Our Year in Review



Where Rates & Utilities Were Spent

Council invests rates and utility charges into the services and infrastructure that support our community every day. The charts below show how every $100 collected from rates and every $100 collected from utilities was allocated across key service areas during 2025/26.

Rates



Environment and Sustainability Services
$4.84

Planning and Development
$5.95

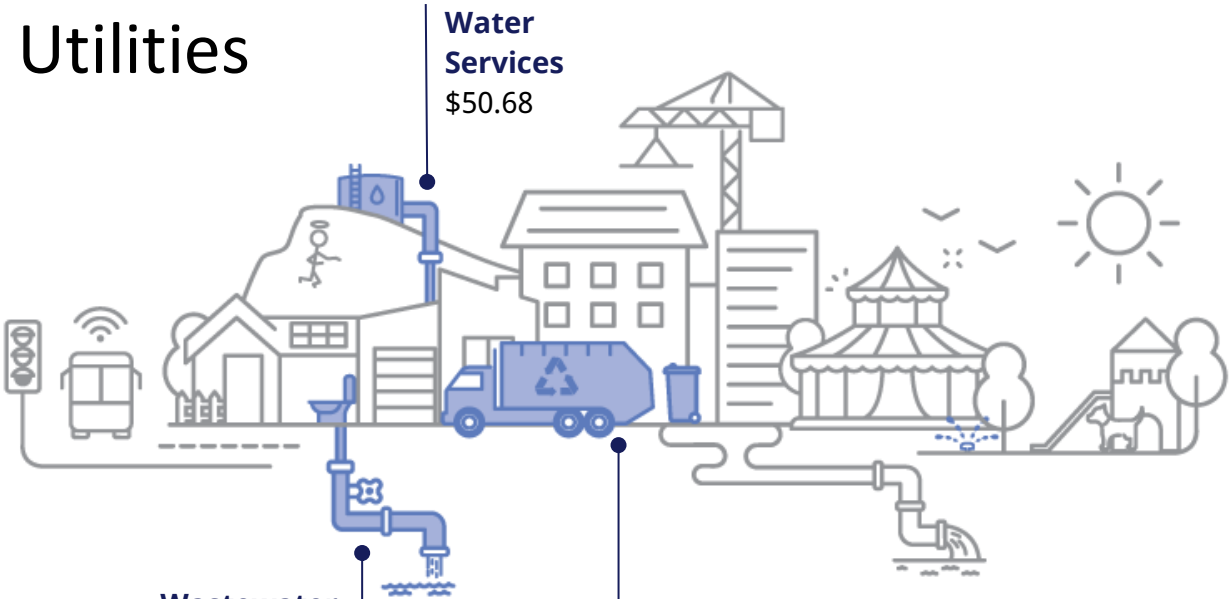
Cultural and Community Services
$17.19

Roads and Transport Management
$40.04

Drain and Stormwater Management
$9.45

Parks and Open Space Management
$22.53

Utilities



Water Services
$50.68

Wastewater Services
$31.72

Resource Recovery
$17.60

Community Financial Report

A snapshot of how Council managed our community's money this year - what we earned, what we spent, what we own. The full audited Financial Statements are included in Council's Annual Report.

Council's operating result for the 2025/26 financial year was a surplus of $5.2 million. This compares to a forecast surplus of $3.3 million reported in June 2026 with the adoption of the 2026/27 budget.

Council spent $617.5 million this year to provide services and facilities to more than 200,000 residents. We managed $7.7 billion of assets - including roads, bridges, drains, land, recreation and leisure facilities, libraries and parks - for the benefit of our local and visiting community.

We received $748 million in income from rates and utility charges, government grants, interest on investments and fees and charges. This money pays for construction, maintenance, wages, borrowing costs and other costs of providing services like libraries, parks, pools, art galleries and waste facilities.

2025/26 at a Glance



$748.0m
Total income received



$617.5m
Total expenses to deliver services



$130.5m
Net result - mostly grants and donated assets for infrastructure



$5.2m
Operating surplus - everyday income covered everyday costs



$7.7b
Total assets managed for the community



$7.0b
Community equity (what we own minus what we owe)



$226.2m
Cash held at 30 June 2026, up $38.5m



$241.3m
Added to community assets through new works, renewals and donated assets



$41.6m
Loans repaid, with no new borrowings this year

Statement of Comprehensive Income

Our Financial Result

The Statement of Comprehensive Income shows Council's net result for the year. It is worked out using a simple formula:

$748.0m Total income	–	**$617.5m** Total expenses	=	**$130.5m** Net result

Council's operating result looks only at the everyday running of the city - the income and costs of delivering services, without one-off capital items:

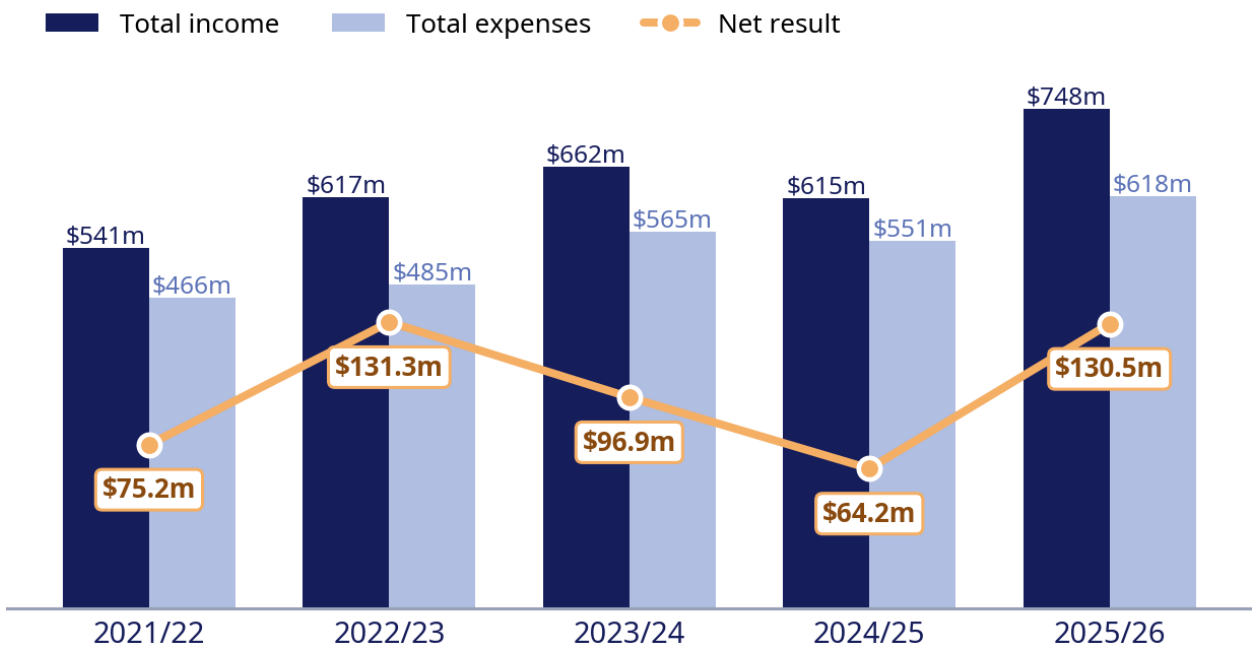
$591.1m Operating revenue	–	**$585.9m** Operating expenses	=	**$5.2m** Operating surplus

Why is the net result so much bigger than the operating surplus?

Council received $156.9 million in capital income this year. This includes grants of $55.5 million and contributions of $29.8 million for building infrastructure, plus $69.8 million of assets donated by developers (such as new roads, pipes and parks in new estates). This money is tied to building or acquiring community assets - it cannot be used to run everyday services.

Five-Year Snapshot

Council reported a net result of $130.5 million in 2025/26, primarily driven by grants received for the construction of infrastructure assets.

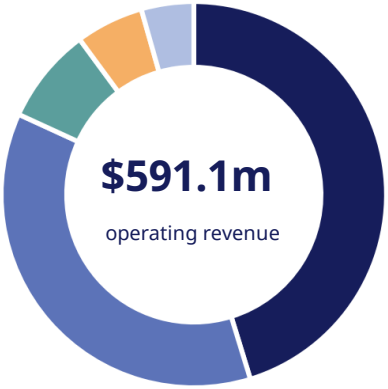


Graph 1 – Total income, total expenses and net result, 2021/22 to 2025/26

Where Our Money Came From

Operating revenue is received from rates and utility charges on residential, business and industrial properties, fees and charges from Council operations, State and Federal grants, and interest.

Rates and utility charges continue to be the major source of income for delivering Council services and infrastructure. Council continues to focus on long-term planning and ongoing renewal and maintenance of infrastructure to keep average rates increases to a minimum.



Operating revenue 2025/26

Utility charges (water, wastewater, waste)	**45%**
General rates*	**37%**
Fees and charges	**8%**
Grants, contributions and donations	**6%**
Interest and other income	**4%**

**General rates shown after $17.0m of discounts, pensioner and other remissions.*

Total operating revenue increased by 8.6% from the prior year, largely due to increases across rates and utility charges and higher interest revenue from higher average cash balances and interest rates.

Where Our Money Was Spent

Council's expenses include employee costs, materials, utilities, services, depreciation and finance costs to deliver community services. This section covers operational spending only - spending on capital works is added to the value of assets when it happens.

Depreciation is the gradual 'wear and tear' of an asset over its expected life. Council has detailed Asset Management Plans to make sure we get the best value and longest life from every asset.



Operating expenses 2025/26

Materials and services	**39%**
Employee costs	**31%**
Depreciation	**27%**
Finance costs and other	**3%**

Total operating expenses increased by **7.0%** from the prior year, largely due to expenditure related to natural disaster events and wage increases following certified agreement negotiations.

Statement of Financial Position

What We Own and What We Owe

The Statement of Financial Position shows what Council owns (assets), what Council owes (liabilities) and Council's net worth (community equity).

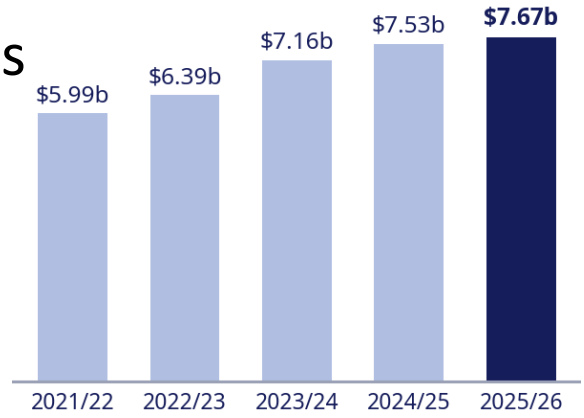
Table 1 - 2025/26 financial position

2025/26 financial position	$'000
Assets - what we own	$7,671,106
Liabilities - what we owe	$667,928
Community equity - our net worth	**$7,003,178**

What Our Community Owns

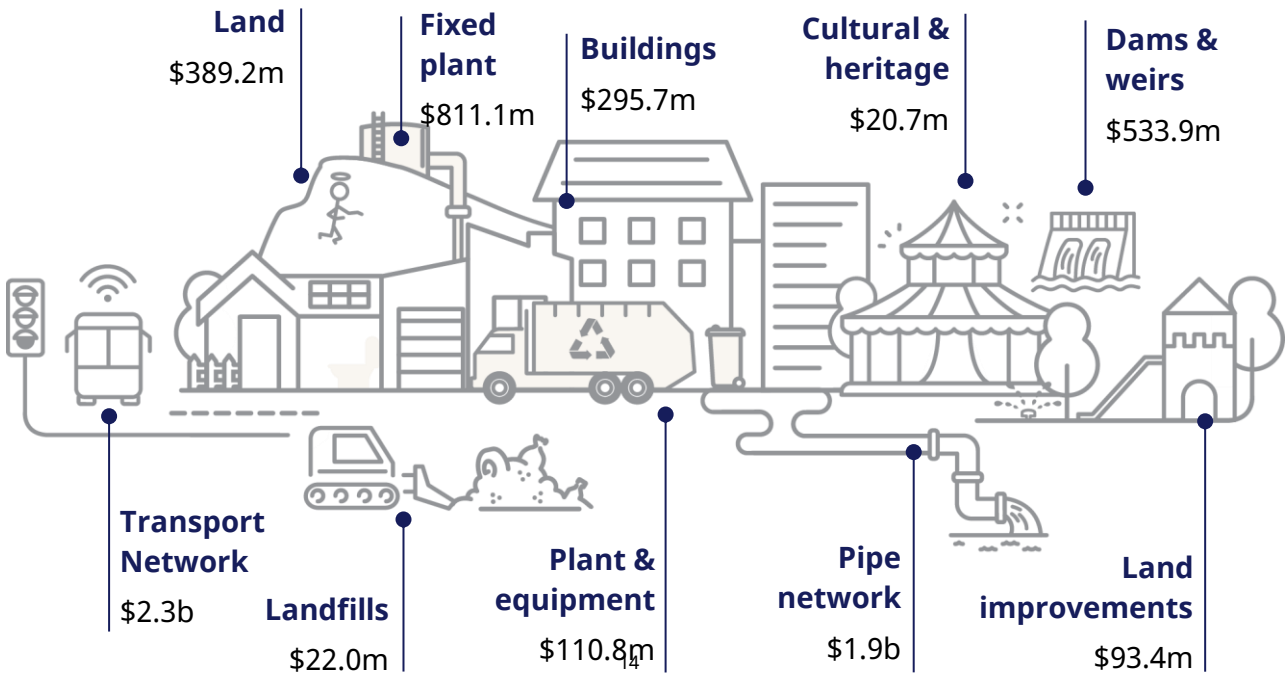
Council's assets include infrastructure, cash, unpaid rates and other amounts owed to Council. The largest part is infrastructure - roads, pipes and buildings that benefit the Townsville community.

Council's total assets increased by $143.3 million compared with the previous year, reflecting investment in infrastructure projects, higher asset values and increased cash holdings.



Graph 3 – Total assets, 2021/22 to 2025/26

Property, Plant and Equipment



What Our Community Owes



Council's liabilities include money borrowed from Queensland Treasury Corporation (the Queensland Government-owned lending agency), unpaid supplier invoices, amounts owed to employees for leave entitlements and provisions for future landfill capping.

Total liabilities were $667.9 million at 30 June 2026, of which $387.5 million relates to loans from Queensland Treasury Corporation.

Total liabilities decreased by $4.6 million from the previous year, mainly due to lower borrowings, which was largely offset by increases in trade payables and unspent grant funding.

Changes in Equity and Cash Flows

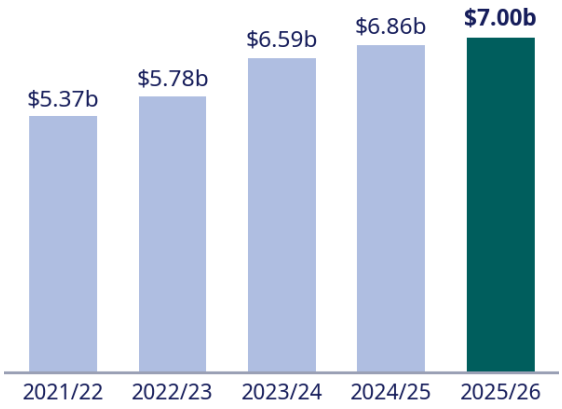
Our Net Worth and Our Cash

Community equity

The Statement of Changes in Equity details the changes in Council's retained earnings over the year and gives more detail about the community equity shown in the Statement of Financial Position.

Community equity is Council's net worth: what Council owns (total assets) minus what Council owes (total liabilities).

Community equity at 30 June 2026 was $7.0 billion, which is $147.9 million higher than the previous year.



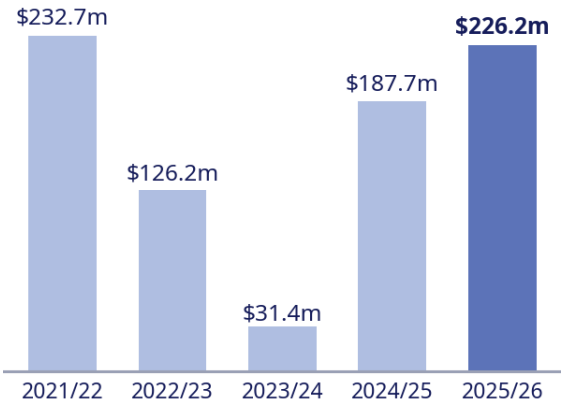
Graph 4 – Community equity, 2021/22 to 2025/26

Where our cash comes from and where it goes

The Statement of Cash Flows shows Council's cash coming in and going out. It shows Council's ability to pay its bills, pay off its debts and have money available to build community assets.

Cash balances are influenced by the timing of grant funding received, the delivery of large infrastructure projects and the drawdown of borrowings.

Council held $226.2 million in cash at 30 June 2026, an increase of $38.5 million.



Graph 5 – Cash held at the end of each financial year

Financial Sustainability

How We Are Tracking

Section 176 of the *Local Government Regulation 2012* requires Council to report on specific financial sustainability ratios. The ratios are calculated in accordance with the Financial Management (Sustainability) Guideline 2024 and are shown in full in the Current Year and Long-Term Financial Sustainability Statements that follow the Financial Report.

Table 2 – Financial sustainability ratios

Measure	What it tells us	Target	2025/26	Result
Unrestricted cash expense cover	How long available cash could pay for everyday services	> 2 months	**6.6 months**	● **Target met**
Operating surplus ratio	Whether everyday income covers everyday costs	> 0%	**1.5%**	● **Target met**
Operating cash ratio	Cash left from everyday services before interest and asset wear and tear	> 0%	**30.6%**	● **Target met**
Asset sustainability ratio	How much we spend to replace or renew assets as they wear out	> 60%	**43.2%**	● **Below target**
** Council expects to meet this target from the 2026/27 financial year.*				
Asset consumption ratio	How much of our assets' life remains	> 60%	**64.7%**	● **Target met**
Leverage ratio	Our ability to repay existing debt	0–4 times	**2.1 times**	● **Target met**
Council-controlled revenue	Share of income Council can influence	No target	**89.9%**	● **Contextual**
Population growth	How much our local population has grown	No target	**1.6%**	● **Contextual**
Asset renewal funding ratio	Ability to fund future asset renewals	No target	**98.4%**	● **Contextual**

Unrestricted cash expense cover

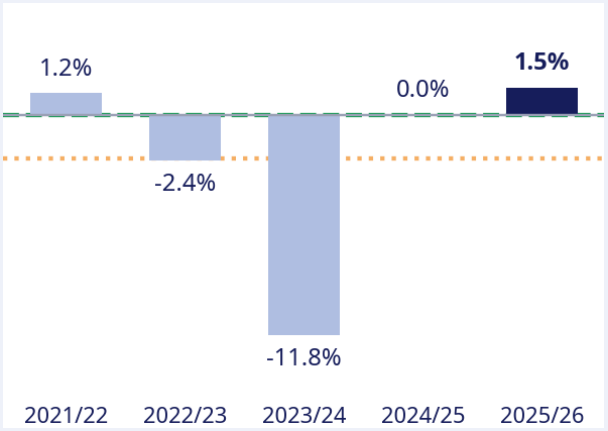
6.6 months in 2025/26|target more than 2 months

This measure reflects the cash available to support Council's ongoing operations and respond to unexpected events.

In 2025/26, this cash could cover 6.6 months of costs, above the target of more than 2 months. Council expects to stay above target. This buffer helps keep services running when unexpected costs arise, such as natural disasters.

Operating surplus ratio

1.5% in 2025/26 | 5-year average (2.3 %)

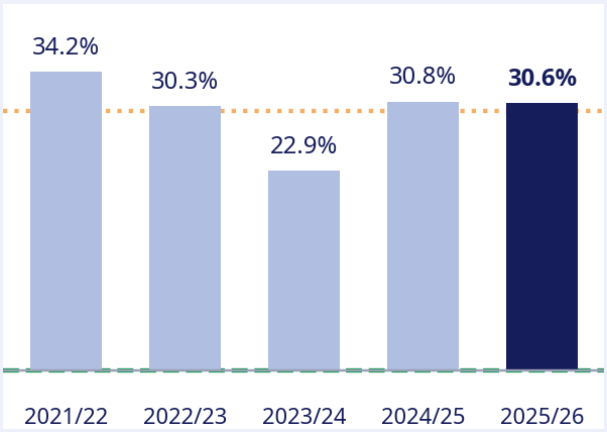


This shows whether Council's everyday income covers the cost of everyday services.

A ratio of 1.5% means Council has earned more than it spent on everyday services in 2025/26.

Operating cash ratio

30.6% in 2025/26 | 5-year average 29.7%

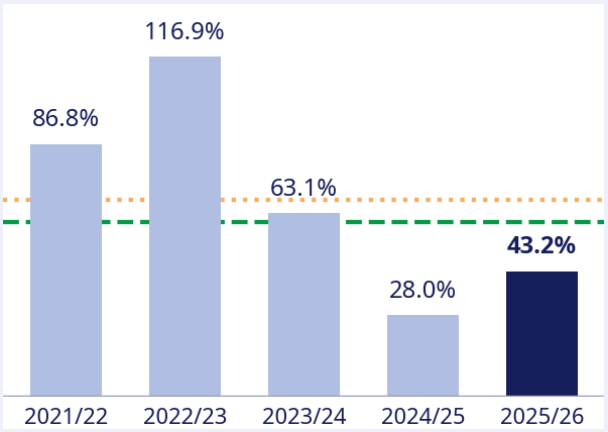


This shows the cash left from everyday services before interest costs and the yearly allowance for assets wearing out or losing value.

A ratio of 30.6% means Council brought in enough cash to cover these everyday costs, with cash left over. This met the target of above 0%.

Asset sustainability ratio

43.2% in 2025/26 | 5-year average 67.6%



This shows the extent to which infrastructure assets are being replaced as they wear out.

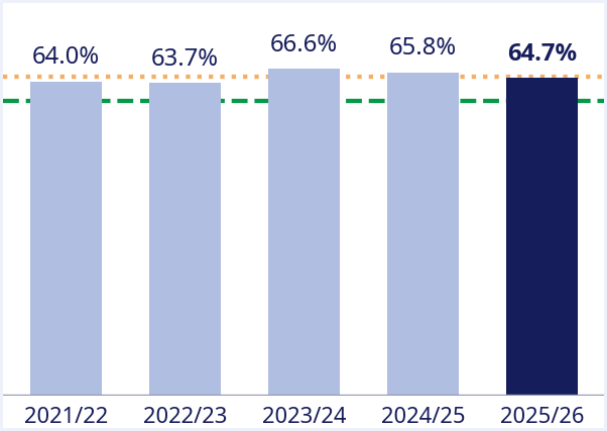
The 43.2% result was below the target of more than 60%. Some renewal work has moved to 2026/27.

Council expects to return above target as this work is completed.

Green dashed line = target. Orange dotted line = five-year average.

Asset consumption ratio

64.7% in 2025/26 | 5-year average 65.0%

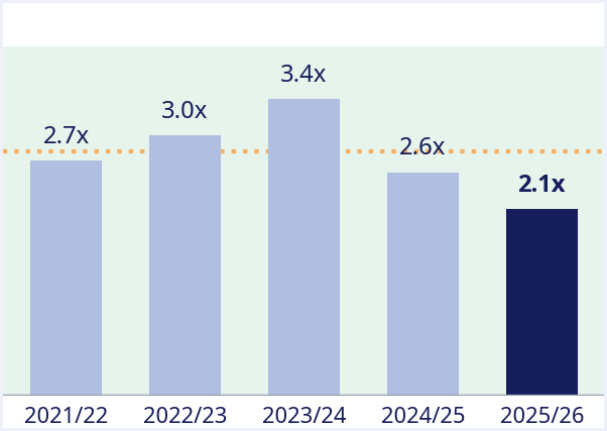


Approximates how much of our infrastructure has been used up compared with what it would cost to build new assets with the same benefit to the community.

The result indicates Council's assets are being consumed in line with their estimated useful lives.

Leverage ratio

2.1 times in 2025/26 | 5-year average 2.8 times

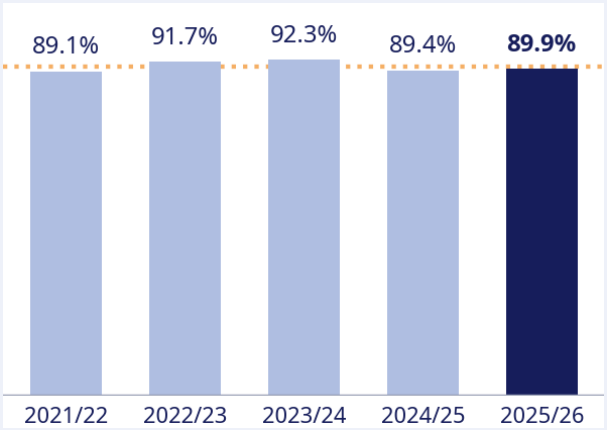


Compares Council's debt with the money its everyday activities generate. It helps show whether Council can manage it debt. The target of 0–4 times, is shaded on the chart.

A ratio of 2.1 times was within the target range. This indicates Council can manage its existing debt.

Council-controlled revenue

89.9% in 2025/26 | 5-year average 90.5%

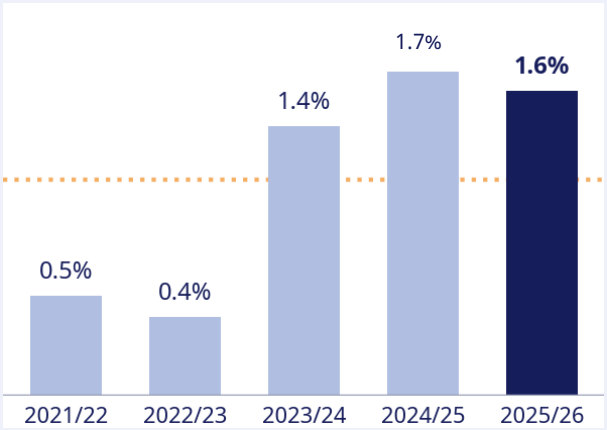


An indicator of Council's financial flexibility and capacity to respond to unexpected financial shocks.

The result indicates Council consistently generates operating revenue from rates, levies and charges. No target is specified.

Population growth

1.6% in 2025/26 | 5-year average 1.1%



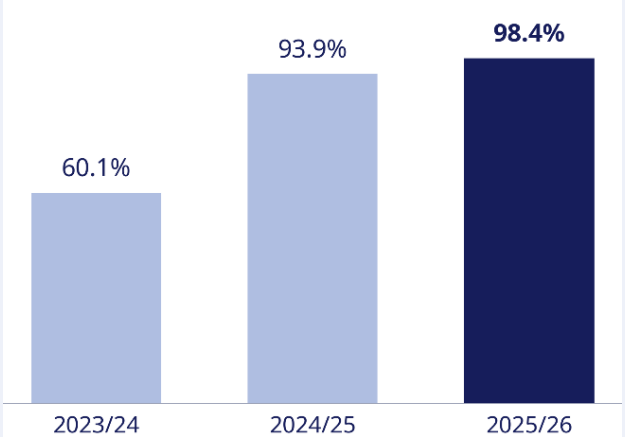
This shows how much Townsville's population has grown. More residents mean more demand for services and community facilities.

Townsville's population grew by 1.6%. Council uses this information to plan services and infrastructure for our growing community.

Green dashed line = target. Orange dotted line = five-year average.

Asset renewal funding ratio

98.4% in 2025/26 | no target specified



Indicates Council's ability to fund future asset renewals has increased over the past 3 years.

A ratio of 98.4% indicates Council is appropriately funding and delivering the required capital program to maintain services to the community.

Our Performance



Townsville Corporate Plan

Our Vision

A globally connected community driven by lifestyle and nature

Our Purpose

Grow Townsville

Our Role

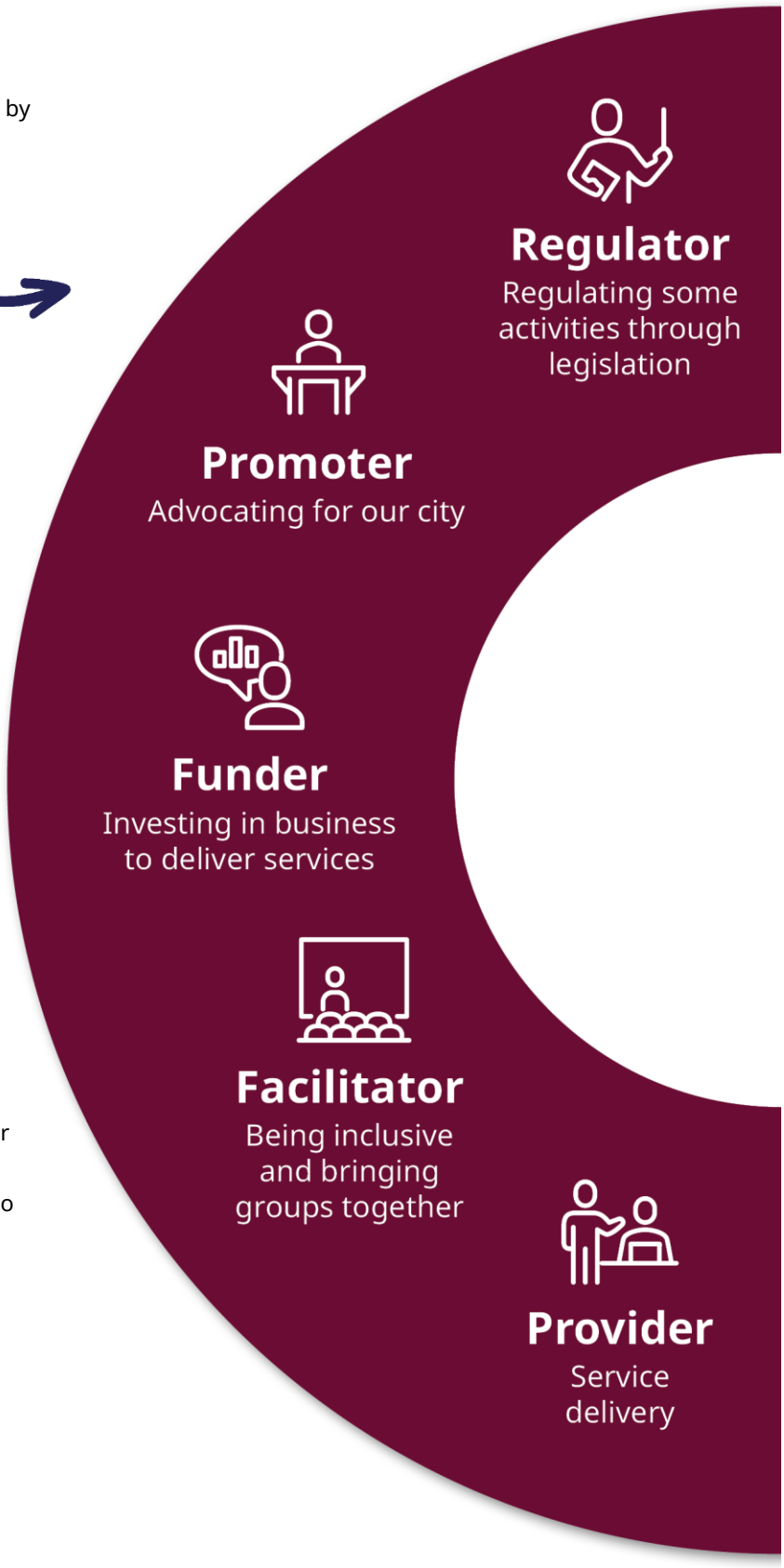
Council's commitment to excellence in delivery of our everyday services, underpins our success.

Our Values

From new hires to experienced leaders, our employees are the essence and core of Townsville City Council. Our team culture and identity is based on our internal core values, SERVE.

- **Safety** – Everyone goes home safe today and every day.
- **Excellence** – We exceed expectations and get it right every time.
- **Respect** – We respect all people, their cultures and our environment - always.
- **Value** – Today we create value for tomorrow.
- **Enjoyment** – We work together to innovate, create and have fun.





Our Corporate Goals Overview for 2025/26

In May 2026, Council adopted a revised Corporate Plan – Townsville 2025-2029, retaining the existing four goals:

- **Goal 1** – A City for Everyone
- **Goal 2** – A Sustainable and Resilient City
- **Goal 3** – A Future-Ready City
- **Goal 4** – A Well-Managed City

The updated plan outlines more targeted outcomes that support Council's purpose to grow Townsville, while reinforcing a vision for the city as a globally connected community driven by lifestyle and nature.



Goal 1

A City for Everyone

Townsville is a city where everyone can engage in and enjoy our community and our lifestyle.

1.1 Residents shape the city's culture and identity
1.2 Connected and activated neighbourhoods
1.3 Enabling an active lifestyle and sporting culture
1.4 The events and arts capital of the North
1.5 Diverse community programs and facilities
1.6 Enhance local housing options

Key Achievements

- Council adopted the Community, Safety and Wellbeing Plan 2025-2030, providing a coordinated roadmap to address key safety issues across Townsville.
- Townsville achieved Established Welcoming City accreditation, recognising Council's leadership in promoting inclusion, belonging and community participation. The great achievement places Townsville among a select group of Australian cities recognised for their commitment to welcoming and inclusive practices.
- 2,200 trees planted within verge areas, improving shade and amenity of Townsville's footpaths.
- Townsville's mobility map updated, providing an interactive mapping guide for community members to identify accessibility conditions of Council's pathways.
- Council was successful in securing $29.5M for the Northern Beaches Trunk Road Infrastructure Package through the Residential Activation Fund Round 1, unlocking over 2,600 new residential lots through the delivery of Svensson Road, Svensson Road intersection and North Shore Boulevard extension.
- Restoration of the North Rail Yards site is well underway, with a $35 Million State Government funding contribution into decontamination works and restoration of the heritage buildings agreement finalised.

Goal 2

A Sustainable and Resilient City

Townsville is a city committed to sustainability through climate change adaptation, water security and advancing a circular economy.

2.1 City-wide climate change adaptation
2.2 Long-term water security
2.3 Transition to a circular economy by reducing waste generation whilst increasing recycling and landfill diversion
2.4 Renewable energy and efficiency

Key Achievements

- Approximately 2,000m³ of organic materials diverted from Council's landfill through the Weeds to Healthy Soils program.
- Council were successful in two State Government grants applications for critical infrastructure at Stuart Waste Facility and upgrades at Townsville Material Recycling facility.
- Established collaboration agreements with James Cook University to facilitate research into innovative Blue Green Algae management practices.
- Achieved 100% completion of scheduled beach renourishment works.
- Long-term forecasting of Council's water and wastewater infrastructure has been developed to guide investment priorities for the next 10 years.
- Continued trend of material diverted from Council's landfill sites through increased recycling and re-use of glass, concrete, bricks and green waste.
- Water loss reduction program achieved 287ML of water saved from losses through water leak detection in trunk infrastructure.

Goal 3

A Future-Ready City

Townsville is a city of opportunity, that is forward-thinking, embraces innovation and is ready for future growth.

3.1 Embrace innovation and technological advancements
3.2 Increase visitation and attractiveness
3.3 Maintain a 20-minute city
3.4 Strategic urban and infrastructure planning to accelerate growth
3.5 Leading education and research offerings

Key Achievements

- Delivery of Lansdown Eco-Industrial Precinct enabling infrastructure continuing in line with proponent Project Development and Infrastructure Agreements and agreed completion dates:
  - Construction of the Jones Road through No Name Road completed.
  - Construction of Lansdown Internal Roads Stage 1 completed.
  - Construction of Lansdown Internal Roads Stage 2 on track.
- Adopted a revised City Activation and Housing Incentives program to support development and housing outcomes.
- A design concept for a new entry statement at John Melton Black Drive developed to optimise entry and exit experiences.
- A Commercial Laboratory Expansion Business Plan has been developed to guide future growth opportunities.
- Full scale aquatic weed harvest program completed at Idalia lakes with more than 98% of invasive water lettuce removed.
- Delivered disaster communications training to eight neighbouring councils.

Goal 4

A Well-Managed City

Our city is served reliably by an accountable, responsive and engaged Council.

4.1 Effective financial and asset management
4.2 A city of shared priorities and focus areas
4.3 Delivering eco-city practices
4.4 A positive customer and community experience

Key Achievements

- Adopted the 2026/27 Budget and Operational Plan, including a 3-year rolling Capital Plan and 10-year Financial Plan.
- Implemented an updated Project Management Framework and online Project Management Tool.
- Council adopted a new Procurement Policy, representing a shift from a largely compliance-based approach to one that is outcomes-focused and value-driven.
- Delivered annual energy cost savings of approximately $576,000 through an aggregated small-site energy contract.
- Council maintained its ECO Destination and Advanced Ecotourism certifications and was inducted into the Ecotourism Australia Hall of Fame, recognising over 20-years delivering high-quality ecological education tours.
- Diverted more than 8 tonnes of organic material through community-business sustainability programs.

Operational Plan 2025/26 Highlights

Completed **100%** of scheduled beach renourishment works for 2025/26

Delivered environmental restoration works across **20+ sites,** with First Nations partners supporting on-ground delivery

Planted **2,022 trees** across Townsville's verge areas

Delivered **147** community library sessions, attended by **7,111** people

57 community based library outreach programs which saw **1,260 attendees**

Maintained **ECO-certified destination certification** (nature tourism) for Townsville Local Government Area (LGA)

1,005 **Digital literacy program participants**

Inducted into the **Ecotourism Hall of Fame** after 20 years of ecological education tours

Delivered four sustainability events, including **Eco Fiesta 2026** with more than **8,000 attendees**

Delivered **disaster communications training** to eight neighbouring councils

Achieved **100%** **wastewater regulatory compliance**

99% **Compliance with Australian Drinking Water Guidelines** (ADWG)

100% **Compliance with dam safety regulations**

Townsville achieved **Established Welcoming City accreditation**

Our Council



Councillors

Cr Nick Dametto
Mayor of Townsville

0456 448 828

mayor.oftownsville
@townsville.qld.gov.au

Term of office: 1

Born and raised in Ingham, Cr Nick Dametto was brought up on a cane farm with a strong work ethic and developed a practical, hands-on approach to problem solving from an early age. He worked as a qualified Fitter and Boilermaker before switching to tourism with a jet ski tour business he ran out of the Breakwater Marina in Townsville.

Prior to becoming Mayor, Cr Dametto served for eight years as the Member for Hinchinbrook, where he built a reputation as a driving force for North Queensland and a strong advocate for regional growth and development.

Cr Dametto is passionate about Townsville's untapped potential and believes in creating opportunities through investment, industry growth, tourism, major events and strategic development. He is committed to working collaboratively with residents, businesses, community groups and all levels of government to strengthen Townsville's position as the economic powerhouse of Northern Australia.

Outside of his mayoral duties, Cr Dametto enjoys spending time with family and friends, boating, and making the most of Townsville's tropical lifestyle. He is a passionate supporter of local sport and can often be found cheering on the Townsville Fire and North Queensland Toyota Cowboys.

**Cr Nick Dametto was officially declared the Mayor Elect on 24 November 2025.*



Cr Paul Jacob
Division 1

0461 347 577

Paul.Jacob
@townsville.qld.gov.au

Term of office: 2
(non-consecutive)

A Townsville resident for more than 30 years, Councillor Jacob is serving our community in his second term.

Born in Sydney, Cr Jacob started out as an Electronics and Communications Technician, working in remote locations across Australia. This experience equipped him with a strong understanding of infrastructure and essential services.

Cr Jacob has contributed to our city through his work at Townsville Human Capital, James Cook University, and The Townsville University Hospital.

Cr Jacob is dedicated to supporting a back-to-basics approach, prioritising essential infrastructure like roads, transport, sewerage, and transfer stations to build a strong foundation for our city's future.

**Cr Paul Jacobs resigned from his role as councillor on 15 July 2026.*



Cr Brodie Phillips
Division 2

0461 442 642

Brodie.Phillips
@townsville.qld.gov.au

Term of office: 1

Born and raised in Townsville, Councillor Phillips has a deep connection to the city's rich heritage and vibrant community.

His passion for serving the community began with active involvement in local social media groups.

With a diverse background in justice, retail, finance and banking, he brings a breadth of experience to his role.

Since moving to Division 2 in 2018, Cr Phillips has embraced life in the area with his two sons and has become a passionate advocate for progressing key local interests.

Cr Phillips envisions Townsville as a city where residents can live, work, and play, no matter their interests, to foster a thriving, inclusive community for all.

Qualifications:
Diploma of Justice Studies



Councillors

Cr Ann-Maree Greaney
Division 3

0448 378 111

Ann.Maree.Greaney
@townsville.qld.gov.au

Term of office: 3

As Councillor for Division 3, Ann-Maree Greaney is committed to representing residents and advocating for initiatives that strengthen local communities, improve liveability, and support Townsville's long-term growth and resilience.

A Townsville resident for more than 30 years, Cr Greaney brings extensive experience in local government, community engagement, governance, and strategic leadership. Before being elected to Council in 2016, she worked for more than a decade with Townsville City Council as a Special Events and Protocol Officer, delivering major civic events and community initiatives.

Throughout her time on Council, Cr Greaney has chaired a number of key committees, including Community and Cultural Development, Environment and Sustainability, and the Local Recovery and Resilience Group. She is committed to ensuring Council decisions deliver positive outcomes for residents, businesses, and the broader community.

A Member of the Australian Institute of Company Directors and former Board Director of the Cowboys Leagues Club, Cr Greaney brings strong governance, leadership, and community-focused decision-making skills to her role.

Cr Greaney and her husband have 2 adult sons and share their home with their beloved dog, Humphrey.

**Cr Ann-Maree Greaney was appointed the Acting Mayor of Townsville from 17 December 2024 – 24 November 2025.*

Qualifications:
Member of Australian Institute of Company Directors
Diploma of Education
Executive Certificate in Event Management



Cr Kristian Price
Division 4

0461 481 414

Kristian.Price
@townsville.qld.gov.au

Term of office: 1

Councillor Price has proudly called Townsville home since he was 10 years old, and his deep-rooted connection to the community continues to shape his values and vision for the city.

Starting his career in civil work and construction, he discovered a passion for hands-on work, later moving into mining, where he rose from entry-level “nipper” to a certified supervisor.

Embracing a new challenge, Cr Price turned his attention to hospitality, opening a successful pizza restaurant.

This experience deepened Cr Price’s appreciation for the tenacity and spirit of Townsville’s residents and equipped him with valuable insights into local business needs.



Cr Vera Dirou
Division 5

0461 418 618

Vera.Dirou
@townsville.qld.gov.au

Term of office: 1

Born in Townsville, Cr Vera Dirou has always considered the city home, even during the years she spent travelling across Australia with her husband's military service. Her strong connection to Townsville and its community has remained constant throughout her life.

Since returning in 2008, she developed a deep appreciation for local government’s role in shaping our community’s day to day life.

With a career spanning two decades in the Department of Defence, specialising in logistics, compliance, auditing and administration, Cr Dirou brings a broad range of skills and experience to her role as Councillor.

She is a passionate advocate for transparent, accountable leadership in all levels of government.

With her dedication and vision, Cr Vera Dirou is committed to making Townsville an even better place to live, work, and thrive by championing inclusion, accessibility, and community participation.

Qualifications:
Diploma of Quality Auditing



Councillors

Cr Suzy Batkovic
Division 6

Deputy Mayor of Townsville

0434 939 419

Suzy.Batkovic
@townsville.qld.gov.au

Term of office: 2

Prior to being elected to Council, Councillor Batkovic was a professional athlete, playing basketball for 23 years across Australia, Europe and the USA (WNBA). She represented Australia at three Olympic Games (2004, 2008 and 2012), winning two silver medals and a bronze.

In 2024, Councillor Batkovic was inducted into the Australian Basketball Hall of Fame. She also holds a Diploma of Governance from the Institute of Community Directors Australia.

Her career in professional sport, together with her governance experience, has shaped her approach, reinforcing the importance of teamwork, leadership and listening. It has also taught her the value of standing up for what is right and working together to achieve positive outcomes.

Councillor Batkovic is a proud mother of twin daughters, Layla and Charli, and has called Division 6 home for more than a decade.

**Cr Suzy Batkovic was elected Deputy Mayor on 12 December 2025.*

Qualifications:
Diploma of Governance



Cr Kurt Rehbein
Division 7

0439 847 860

Kurt.Rehbein
@townsville.qld.gov.au

Term of office: 3

Now in his third term, Councillor Rehbein holds a genuine passion for serving community.

Born in Townsville and raised in Ayr, where his family owned a local convenience store, he learned early on about the value of community connection and the important role of small businesses.

Throughout a diverse career as a cabinetmaker, RAAF military dog handler, and firefighter, he gained valuable experiences and developed a strong sense of discipline and problem-solving skills.

When not spending time with his wife and four young children, he enjoys pursuing various hobbies, from casting a line to furniture restoration.

Qualifications:
Trade Certificate in Cabinetmaking
Certificate III in Dog Handling and Military Operations
Diploma in Fire and Rescue Operations and Public Safety



Cr Andrew Robinson
Division 8

0461 518 080

Andrew.Robinson
@townsville.qld.gov.au

Term of office: 1

Councillor Andrew Robinson was raised and completed his schooling in Perth, Western Australia. On leaving school, he joined the Army, graduated from the Royal Military College, Duntroon and went on to serve for 13 years as an officer in the Royal Australian Army Medical Corps before being medically discharged as a type 1 diabetic.

Cr Robinson then completed a Bachelor of Commerce (Accounting) at James Cook University and furthered his accounting credentials by becoming a qualified CPA and working for PricewaterhouseCoopers in both taxation and audit. Before becoming a Councillor, he held a senior role in the Department of Transport and Main Roads as the Regional Advisor (Finance & Business) – Northern for the Customer Services Branch.

Cr Robinson has served on several boards, including a bank and is currently a non executive director of a local investment company. He is a graduate of the Australian Institute of Company Directors course.

Cr Robinson is married with three daughters, all of whom have attended Mundingburra Primary and Pimlico State High School. Throughout his girls' schooling, he has helped at countless sausage sizzles, school concerts, P&C and community events.

Cr Robinson's hobbies include chess, board games and military history. He has a love for old bikes and cars. His everyday ride is a 1954 Holden FJ Ute.

Qualifications:
Bachelor of Commerce (Accounting)
CPA
Graduate of the Australian Institute of Company Directors
Justice of the Peace (Qualified)



Councillors

Cr Liam Mooney
Division 9

0434 925 510

Liam.Mooney
@townsville.qld.gov.au

Term of office: 2

A proud Townsville local, Councillor Mooney has lived in and around Division 9 his entire life. Watching his own children grow up here – attending school, playing sports, and performing, just as he did – has strengthened his sense of pride and commitment for the city.

Driven by a passion for performance and sport, he has represented Townsville and North Queensland in music, theatre, soccer, and swimming. Alongside his wife, he shares a deep passion for the arts, with extensive volunteer experience in community theatre, instrumental music, and the performing and visual arts.

With a professional background in the Performing Arts and Events industry, Cr Mooney maintains strong community ties through both his personal and professional life.



Cr Brady Ellis
Division 10

0499 577 788

Brady.Ellis
@townsville.qld.gov.au

Term of office: 1

Councillor Ellis first fell in love with Townsville in 2017, relocating here for his career in breakfast radio.

After a successful decade in the industry, culminating in a prestigious Australian Commercial Radio Award for best Entertainment/Music Announcer (2017), he retired from radio to pursue new ventures with his wife.

Brady is an active member of the Townsville business community, owning and operating two successful KX Pilates studios.

Now raising a family in Division 10, he has dedicated himself to investing in what he proudly calls “the best city in northern Australia”.

With a vision for a thriving, active, and healthy Townsville, he is passionate about playing his part in seeing Townsville transform into the roaring hub of the future.



Disclosure of Governance Performance

Council is committed to maintaining high standards of integrity, accountability and ethical conduct. Reported or suspected instances of fraud, corruption and misconduct are managed in accordance with legislative and policy requirements, with all allegations assessed and investigated appropriately. Council continues to promote awareness of its values and ethical decision-making across the organisation.

Council continues its commitment to encourage and support public interest disclosures of wrongdoing. All public interest disclosures made this financial year were assessed, and where appropriate, properly investigated and dealt with in a confidential manner and in accordance with Public Interest Disclosure Standard No. 2/2019. All disclosures were reported to the Queensland Ombudsman Office and the relevant documentation recorded in accordance with Public Interest Disclosure Standard No. 3/2019.

The Townsville community relies on Council to do the right thing, and Council values its reputation for delivering services in an ethical and accountable manner. Council sections continued to work closely with one another to ensure a collaborative and proactive approach to driving Council's ethical standards. This included the delivery of information sessions on Council's Code of Conduct, ethical behaviour and integrity in the workplace, as well as the coordination and delivery of induction to all new employees on their ethical obligations, fraud and corruption awareness, and Public Interest Disclosure awareness.

Openness and Transparency

As an open and transparent local government, Council makes information available for community members in a range of formats using Townsville Dashboards. Townsville Dashboards is a digital platform to access high quality, current data, and insights about Townsville, informing and enabling the Townsville community and those with an interest in investing in the region.

To comply with the *Local Government Act 2009* and in the interest of openness and transparency, all Councillors are required to disclose and provide updates for their Register of Interests which can be viewed on the Council's public website.

Councillors are responsible for identifying and appropriately managing any personal interests and conflicts of interest in matters to be considered by Council or its committees. Details of interests disclosed and how they were managed are recorded in the minutes of the relevant meeting.

Ordinary and special meetings of Council are open to the public unless closed in accordance with section 254J of the Local Government Regulation 2012. Once the deliberations are concluded in closed sessions, the meeting is re-opened to the public for a decision, and the decision is placed on the public record.

Ordinary Council and Special Council meetings are live streamed. Copies of the recordings are available on the Council's website.

The Audit and Risk Committee and the Internal Audit Unit continued to provide advisory and independent forums where representatives of Council, independent specialists and management worked together to fulfill specific governance responsibilities.

Meeting Attendance

Council meetings comprise of Ordinary Council meetings and Special Council meetings. Ordinary Council meetings have a membership comprising of the Mayor and all Councillors.

Former Mayor Troy Thompson was suspended from office by the Queensland Government for a period of 12 months, commencing November 2024 and did not attend any council meetings during the 25/26 financial year.

A Mayoral by-election for was held in November 2025 following the resignation of suspended Mayor Troy Thompson on 26 September 2025.

The November 2025 by-election was declared on 19 November 2025, and Mr Nick Dametto was officially sworn in as Mayor of Townsville on 24 November 2025.

The attendance of Councillors at Ordinary Council meetings and Special Council meetings for the relevant periods are outlined in Table 3.

Table 3 – Councillor meeting attendance 2025/26

Council Meetings	Ordinary Council	Special Council
Total Number of meetings held	21	5
Number of meetings attended		
Cr Nick Dametto*	10	3
Cr Paul Jacob	19	5
Cr Brodie Phillips	20	5
Cr Ann-Maree Greaney	20	3
Cr Kristian Price	21	5
Cr Vera Dirou	18	5
Cr Suzy Batkovic	21	5
Cr Kurt Rehbein	20	5
Cr Andrew Robinson	20	5
Cr Liam Mooney	20	5
Cr Brady Ellis	21	5

* *Number of meetings held since Mayor Nick Dametto sworn in – 11 Ordinary Council Meetings and 3 Special Council Meetings.*

Governance of our Councillors

Remuneration, Expenses and Facilities

Councillors receive a remuneration package determined by the Local Government Remuneration Commission, which is reviewed on an annual basis.

The Commission increased the maximum remuneration levels for mayors, deputy mayors and councillors by 2.5% from 1 July 2025.

Remuneration

Table 4 outlines the remuneration received by Councillors in 2025/26, remuneration is inclusive of transport allowance.

Table 4 – Councillor remuneration 2025/26

Councillor	Remuneration ($)	Superannuation ($)
Cr Nick Dametto	150,735	16,194
Cr Suzy Batkovic	172,683	17,782
Cr Ann-Maree Greaney	172,506	17,636
Cr Kurt Rehbein	162,949	16,614
Cr Liam Mooney	162,949	16,614
Cr Troy Thompson*	60,286	7,234
Cr Paul Jacob	149,816	15,208
Cr Brodie Phillips	162,949	16,614
Cr Kristian Price	162,949	16,614
Cr Vera Dirou	162,949	16,614
Cr Andrew Robinson	162,949	16,614
Cr Brady Ellis	162,949	16,614

Variances in superannuation due to options available for Councillors to make additional contributions throughout the year.
**Former Mayor Troy Thompson was suspended on full pay prior to resigning on 26 September 2025. Remuneration and superannuation amounts reflect payments made during the period of service in the 2025/26 financial year.*

Expenses

Table 5 - Councillor expenses 2025/26

Councillor	Conferences Travel & Accommodation ($)	Print and Advertising ($)	Hospitality ($)	Office and Admin Costs ($)	Professional Memberships & Training and Development ($)	Total ($)
Cr Nick Dametto	9,135	1,326	1,593	1,702	-	**13,756**
Cr Ann-Maree Greaney*	15,840	-	7,471	1,191	867	**25,369**
Cr Suzy Batkovic	-	229	5,103	221	-	**5,553**
Cr Kurt Rehbein	2,651	-	1,769	45	-	**4,465**
Cr Liam Mooney	3,579	480	1,067	75	105	**5,306**
Cr Paul Jacob	1,916	505	1,050	335	105	**3,911**
Cr Brodie Phillips	3,543	2,868	3,122	177	-	**9,710**
Cr Kristian Price	-16	5,987	4,668	499	-	**11,138**
Cr Vera Dirou	-	1,815	1,257	252	105	**3,429**
Cr Andrew Robinson	272	1,704	1,833	237	1,500	**5,546**
Cr Brady Ellis	-	755	4,200	448	105	**5,508**

** Expenses include costs incurred from July 2025 – November 2025 while performing Acting Mayor duties during the 2025/26 financial year.*

Facilities

Councillors were provided with the following facilities to enable them to perform their duties and undertake Council business:

- personal protective equipment (PPE)
- stationery supplies
- full administrative support (Mayor and Deputy Mayor)
- limited administrative support (Councillors)
- telecommunications facilities
- shared office facilities (Councillors)
- home office facilities (Councillors)

Councillor Discretionary Funds

In accordance with section 189 (2) of the Local Government Regulation 2012, the annual report must contain information about Councillor discretionary funds.

At the Ordinary Council Meeting of 18 June 2025 Council adopted the 2025/26 Budget and Operational Plan. No budget was allocated to Councillor Discretionary Funds for 2025/26.

Councillor discretionary funding for 2025/26 was as follows:

- the prescribed amount for the financial year was $212,470
- the total amount budgeted was $0
- the total amount of discretionary funds budgeted for Councillors to allocate for capital works for a community purpose was $0, and other community purposes was $0
- the amount of discretionary funds budgeted for use by each Councillor was $0
- the total spent for the financial year was $0.

Conduct and Performance

Under section 186(1)(d) of the *Local Government Regulation 2012*, Council's Annual Report must contain details of any complaints about a Councillors conduct during the financial year as per the *Local Government Act 2009* sections 150P(2)(a),150P(3) and 150R(3).

Details required for 2025/26 are outlined in the table below.

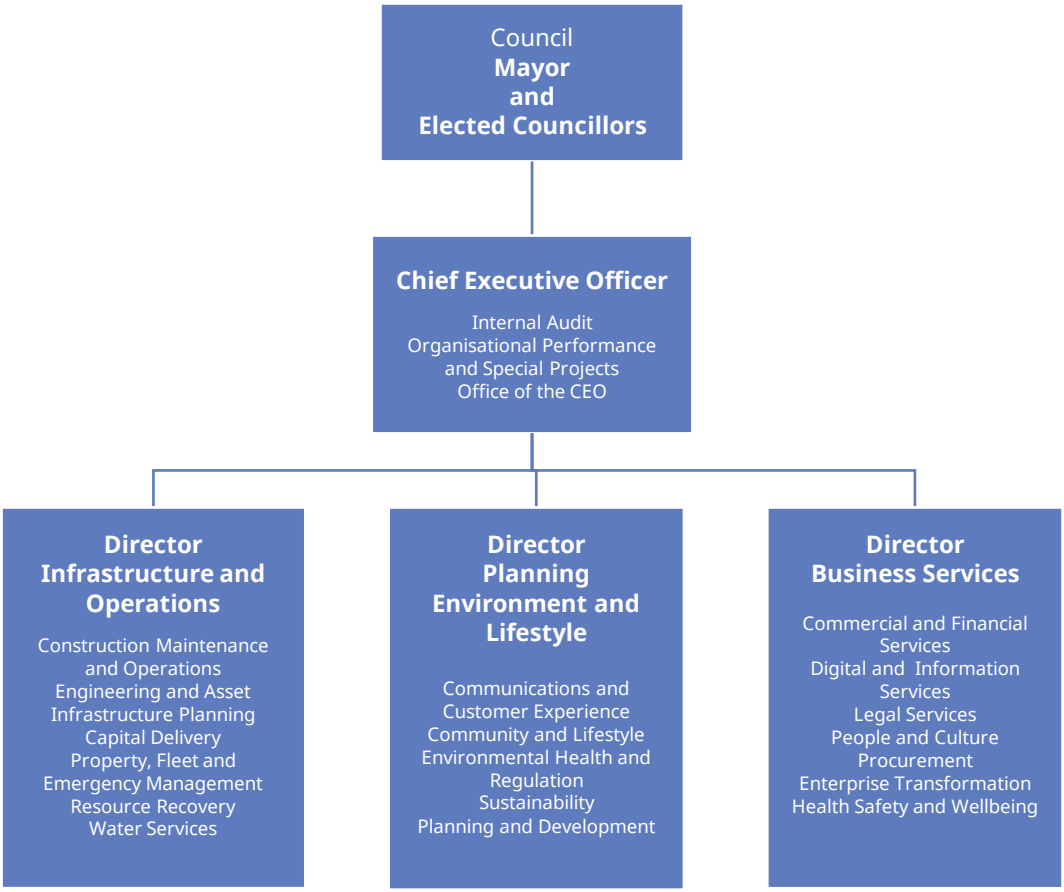
Table 6 – Number of Councillor Conduct complaints, notices, referrals, orders and disciplinary actions

Conduct and performance of Councillors	Number received
Complaints referred to the assessor under section 150P(2)(a) of the *Local Government Act 2009* by local government entities for the local government.	2
Matters, mentioned in section 150P(3) of the *Local Government Act 2009*, notified to the Crime and Corruption Commission.	0
Notices given under section 150R(3) of the *Local Government Act 2009*.	5

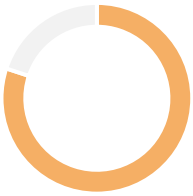
Our People


JUDY
THE JUDY GARLAND STORY
A Celebration of a Life in Song
MPE Performing Arts & Events
TicketShop
DELL

Our Organisation



Our Workforce Profile



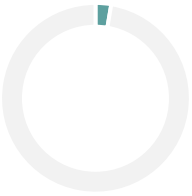
Permanent
full-time
80.06%



Permanent
part-time
5.56%



Temporary
/ Casual
11.72%



Trainee
/ Apprentice
2.66%

1,554
full-time equivalent
(FTE) employees

45 years
Average
age

8 years
Average service

1,655
total employees

5.1%
First Nations
employees (83)

Our Workplace Health, Safety and Wellbeing

Townsville City Council continued to strengthen its commitment to a safe, healthy and supportive workplace through the implementation of the Health, Safety and Wellbeing Strategy 2025-2029. Health, safety and wellbeing considerations were embedded across operational planning, leadership decision-making and everyday work practices, supporting a proactive approach to managing physical and psychological risks.

Council invested in workforce capability through comprehensive in-house training and competency programs, including nationally recognised courses such as First Aid, CPR, White Card, Manual Handling and Health and Safety Representative training, as well as Verification of Competency assessments for plant and vehicle operators. Training delivered within Council workplaces provided practical, relevant learning experiences that reinforced a strong and consistent safety culture.

A range of wellbeing initiatives supported employees' physical, mental and social wellbeing, including Fitness Passport, the Employee Assistance Program, Lunch and Learn sessions, the onsite Soft Tissue Clinic and workplace vaccination programs. Council also established a Health and Wellbeing Committee to provide strategic oversight and encourage workforce participation in wellbeing initiatives.

These efforts contributed to positive organisational outcomes, with lost time injury events decreasing by 48% compared with the previous financial year. Council also achieved a 92.54& self-insurance audit score, providing independent assurance that its health and safety management systems remain effective and focused on continuous improvement. Together, these initiatives demonstrate Council's ongoing commitment to ensuring every worker "Goes home safe today and everyday" while supporting the delivery of essential services to the Townsville community.

Our Statutory Information



Governance Framework Overview

Townsville City Council continues to be a responsible, open, and transparent local government operating in accordance with the Queensland *Local Government Act 2009*, the *Local Government Regulation 2012* and related legislation. Council is committed to high standards of corporate governance and accountability and seeks continuous improvement.

In line with the *Local Government Act 2009*, the Council places high importance on responsible governance due to the following reasons:

- it underpins the confidence that the community has in Council and our services
- it affects the quality of our outputs
- it is a value adding activity
- it ensures that the Council meets its legislative responsibilities and
- it is a strong reminder that the Council is ultimately accountable to the community.

Council has a Corporate Governance Framework to provide guidelines for compliance with legislation and best practice. For Council to demonstrate good governance, there needs to be a clear understanding about responsibilities and accountabilities. This framework sets out the roles of elected members and administration in representing the interests of current and future residents of Townsville. Townsville's elected officials bring a diverse wealth of experience and passion, and throughout the year have continued to interact with the community and act on residents' behalf.

Enterprise Risk Management

Council's risk management approach is based on value creation and protection in alignment with international standard ISO 31000:2018 Risk Management Guidelines. Throughout 2025/26 Council continued to assess risk for any decision proposals, keeping any new and emerging risks under consideration. Managing risks at an appropriate level remains an integral part of our organisation. Council has an established risk management framework, policy, procedures and systems which support the identification, assessment and mitigation of strategic and operational risks across the organisation.

During 2025/26, Council undertook a comprehensive review of its risk appetite involving both Councillors and the Executive Leadership Team. The review strengthened the alignment between Council's strategic objectives, decision-making processes and risk management practices, ensuring that Council's approach to risk remains appropriate to its operating environment and future priorities.

As the primary connection to the Townsville community, Council has continued to prioritise risk management, ensuring it receives the attention necessary to safeguard our community's interests and well-being. The safety of staff, the community and contractors remained the key priority at Council. It is important for Council that "everyone goes home safe today and every day". Risk management continues to be a responsibility of all employees and an integral part of the management function.

Strategic Risk Assessment

Senior management undertook a comprehensive review of Council's strategic risk profile during 2025/26, supported by an independent strategic risk review and a series of workshops with the Executive Leadership Team and Councillors. The review resulted in a refreshed Strategic Risk Register, updated risk drivers and consequences, and the development of a new Risk Appetite Statement to support consistent and informed decision-making across Council.

Top challenges/risks faced by Council:

- financial sustainability, including increasing cost pressures and long-term funding requirements
- attraction, retention and development of a skilled and capable workforce
- cyber security, technology resilience and protection of critical information and infrastructure.

Top opportunities/strengths realised by Council:

- continued delivery of services, infrastructure and community outcomes for a growing city
- progression of strategic projects and initiatives aligned with Council's Corporate Plan objectives
- strong partnerships with government, industry and the community to support regional growth and resilience.

Operational Risk Assessment

Council conducts routine operational risk assessments as a proactive measure to identify potential risks that could disrupt its operations. These risks could originate from various sources, including internal processes, people, systems, or external events.

Throughout the year, operational risk workshops were conducted across Council to support business units in identifying, assessing and reviewing risks relevant to their operational objectives. The workshops also promoted the consistent application of Council's Enterprise Risk Management Framework and risk management practices.

All identified risks are compiled into a consolidated register of risks, which informs the internal audit planning process. This process assists the Audit and Risk Committee in monitoring and tracking Council's performance against areas of high risk, supporting effective risk management and maintaining resilience.

Business Continuity Management

Council has an established Business Continuity Framework and Business Continuity Management Policy in alignment with international standard ISO 22301:2019 Business Continuity Management Systems. These documents are designed to ensure Council's ability to continue its essential services and operations during any potential disruptions or crises. This framework and policy provide a structured approach to identify potential threats to Council and the impacts those threats would have on business operations.

These documents are supported by the overarching Townsville City Council Business Continuity Plan and its 22 sub plans. These plans provide strategies for safeguarding and recovering Council's operational and service delivery capability during severe unexpected events.

In the 2025/26 period, Council conducted a comprehensive review of the suite of business continuity plans. The review and update of these plans are part of Council's annual strategic process, ensuring they remain current, operationally relevant and effective. This reflects Council's commitment to resilience, continuous improvement, and community responsibility.

Fraud Risk Assessment

Council's approach to fraud and corruption management is comprehensive, involving regular risk assessments, staff training, and continuous improvement of our policies and procedures. Throughout the year, we conducted fraud risk assessments as a key part of our Fraud and Corruption Management Policy and Framework. These assessments have proven crucial in several instances, effectively identifying and mitigating potential fraudulent activities, thereby protecting Council's resources.

Fraud and corruption awareness training is provided to all new employees through Council's onboarding program, ensuring staff are informed of their responsibilities and reporting obligations from commencement. As part of Council's ongoing continuous improvement approach, a broader organisation-wide refresher program is scheduled for rollout during 2026/27 to reinforce awareness and support compliance with Council's Fraud and Corruption Management Framework.

Townsville City Grants and Partnerships Program

Townsville City Grants and Partnerships provides funding and in-kind support to help local not-for-profit community organisations in Townsville. Council recognises the tremendous work and contribution that community and not-for-profit organisations make in our community. Townsville City Grants and Partnerships Program helps to continue and enhance the impact community organisations and activities are already having in the local Townsville area. The total value of Townsville City Grants and Partnerships Program in 2025/26 was $1,054,352.

Table 7 – Townsville City Grants and Partnerships Program, including in-kind and hard costs

Program	Amount ($)
Community Grants	298,180
Community Organisation Partnership	516,013
Economic Activation Partnership	143,650
Regional Arts Development Fund	96,509
Total	**1,054,352**

Particular Financial Contributions Under Planning Act

In accordance with section 189A of the *Local Government Regulation 2012*, the Annual Report must contain information about the total amount of financial contributions made to the local government in the financial year.

Townsville City Council advises that no financial contributions were made during the 2025/26 financial year under:

- A community benefit agreement under the *Planning Act 2016;*
- A condition of development approval imposed under section 65AA (3) of the *Planning Act 2016*;
- A condition of a development approval imposed under a direction of the Planning Chief Executive under section 106ZF (2) of the *Planning Act 2016*; or
- An agreement mentioned in section 65AA (7) of the *Planning Act 2016*.

As a result, no contributions were spent, and there are no associated purposes to report for this period.

City Activation and Housing Incentive Policy

The City Activation and Housing Incentive Policy was endorsed for the 2025/26 financial year to promote economic growth and city activation by generating investment, increasing housing diversity, community activities and employment opportunities.

For transparency, recognising infrastructure charges and fee waivers (full or partial) are a form of forgone revenue. Council will publish annually a list of infrastructure charges and fee waivers provided under this policy in the Annual Report.

Summary of incentives for the 2025/26 financial year:

- Revenue forgone from Infrastructure charges waivers to 30 June 2026 was $1,158,461.90
- Revenue forgone from Application Fee waivers to 30 June 2026 was $51,169.00
- Grants given to 30 June 2026 was $20,000

Grants have been fully acquitted for the 2025/26 financial year.

Waivers have been fully acquitted for the 2025/26 financial year.

Overseas Travel

Under section 188 of the *Local Government Regulation 2012*, Council's Annual Report must contain information about any overseas travel made by a Councillor or local government employee.

There have been no international travel expenses incurred by the Councillors or employees during the financial year.

Senior Management Remuneration

The senior management of a local government consists of the Chief Executive Officer and senior executive employees of the local government. A senior executive employee reports directly to the Chief Executive Officer and would ordinarily be considered a senior position in the corporate structure.

Total remuneration for these positions from 1 July 2025 to 30 June 2026 was $1,921,308.83.

As per section 201 of the *Local Government Act 2009*, Table 8 provides the remuneration ranges for the senior executives.

Table 8 – Senior management remuneration

Senior Executive Management	Remuneration value range ($)
1	500,000 - 600,000
1	400,000 – 500,000
2	300,000 - 400,000

Councillor Advisor Remuneration

In accordance with section 201(1)(c) of the *Local Government Act 2009*, Townsville City Council resolved to allow the appointment of three Councillor Advisors for Mayor Nick Dametto. During the reporting period from 1 July 2025 to 30 June 2026, two Councillor Advisors were appointed.

The total remuneration payable to those Councillor Advisors for the reporting period was $202,975.

Particular Resolutions

Reportable resolutions under the Local Government Regulation 2012 for the period:

Table 9 – Particular resolutions

Section 185(a) and (b) Local Government Regulation 2012	Resolution adopted
Under s250(1) – Expenses reimbursement policy	Nil
Under s206(2) – Valuation of non-current physical assets	Council resolved at its Ordinary Council Meeting on 1 April 2026 to endorse the Non-Current Asset Accounting Policy with a four-year review cycle.

Public Sector Ethics

In accordance with Section 23 of the *Public Sector Ethics Act 1994*, Townsville City Council is required to provide an implementation statement outlining the actions taken during the reporting period to comply with Section 15 (Preparation of codes of conduct), Section 21 (Education and training) and Section 22 (Procedures and practices of public sector entities).

Preparation of Code of Conduct

Townsville City Council is committed to providing a working environment where people are treated with fairness, equity and respect. Council's commitment to facilitating a diverse and equal workforce is demonstrated through commitment to the Diversity, Equity and Inclusion in the Workplace Policy, alignment to Queensland's *Anti-Discrimination Act 1991* and obligations under relevant federal anti-discrimination laws.

Council has established a Code of Conduct, which details the standards of behaviour and expectations for Council workers when dealing with customers and other workers. Council provides Code of Conduct training annually to all staff, which incorporates the ethics principles and obligations under the *Public Sector Ethics Act 1994* and the five Local Government Principles under section 4(2) of *Local Government Act 2009*. Code of Conduct training is an essential component of Council's Corporate Compliance training program.

Procedures and Practices of Public Sector Entities

Council's Corporate Governance and management practices have proper regard to the *Public Sector Ethics Act 1994*. Council's corporate guidance documents and delegations of authority are monitored and regularly reviewed. Corporate guidance documents are explained to employees at commencement of employment and through ongoing training, as well as being made available on Council's intranet.

Administrative Action Complaints

Council is committed to fair, ethical and transparent management of administrative action complaints. This commitment is demonstrated by our Complaints Management System (CMS) that aims to provide an accessible, accountable and efficient method for addressing complaints in accordance with the principles contained in the *Local Government Act 2009*.

The policy is reinforced by a guideline that outlines defined administrative process for effectively handling and resolving complaints raised by community members on a range of issues including:

- a decision, or a failure to make a decision, including a failure to provide a written statement of reasons for a decision
- an act, or a failure to do an act
- the making of a recommendation
- is made by an affected person (a person who is affected by an administrative action of Council).

Council is dedicated to conducting thorough and timely investigations for all complaints, with the ultimate objective of reaching a resolution that satisfies both the Council and the complainant.

Should complainants be dissatisfied with the outcome of the complaint investigation, Complaint Officers ensure that all administrative action complaint decision notices include information on available appeal options to the Queensland Ombudsman.

In accordance with the Local Government Regulation 2012, Council is obligated to disclose the administrative action complaints received and resolved through the complaints management system.

Table 10 – Administrative Action Complaints

Classification	2025/26
Number of Administrative Action Complaints Received	510
Number of Administrative Action Complaints Resolved	468
Number of Administrative Action Complaints Unresolved*	42
Number of Administrative Action Complaints not resolved that were made in the previous financial year	6

**As at end of 30 June 2026.*

Right to Information and Information Privacy

Townsville City Council continues to make it easier for the public to access their information, maximise the publicly available corporate information and identify information that can be administratively released. Council's induction program includes a right to information and information privacy components to educate and raise awareness to staff. Council has introduced a Right to Information and Information Privacy eLearning module to ensure staff are kept informed. Council continues to publish a Disclosure Log on the website.

More information about Council's Right to Information and Information Privacy can be found on Council's website.

Table 11 – Right to information and information privacy

Classification	Right To Information
	2025/26
Number received	58
Number finalised	45
Number withdrawn	5
Number transferred	1
Number of external reviews initiated	5

From 1 July 2025, the *Information Privacy and Other Legislation Amendment Act 2023* (IPOLA Act) introduced significant reforms to Queensland's information access framework.

One of the key changes was the consolidation of access application processes, removing the separate application pathway for an individual's own personal information under the *Information Privacy Act 2009 (Qld).*

As a result, all requests for access to government-held documents are now made under the *Right to Information Act 2009 (Qld),* providing a single, streamlined access scheme for applicants.

List of Registers

Townville City Council has several registers open to public inspection upon request. The list can also be found on Council's website.

Table 12 – List of Register

Register
Beneficial Enterprises
Dog Registry
Register of Dogs
Restricted Dog Register
Regulated Dog Register
Register of cost-recovery fees
Delegation Register
Development Application Register as Assessment Manager
Development Application Register as Referral Agency
Environmentally Relevant Activities application register
Exemption certificates register
Information Asset Register
Register of Infrastructure Charges Information
Major Contracts Register
Petition Register
Register of Privately Certified Approvals
Register of Annual Returns under the *Environmental Protection Act 1994* (EPA)
Register of Property, Plant and Equipment Assets
A Designation Register of all Designations made by Local Government that are in effect
Register of Councillor Conduct
Register of on-site Sewerage and Greywater Facilities
Register of Environmental Authorities including Surrendered, Suspended or Cancelled Authorities
Register of Impounded Animals
Register of Infrastructure Agreements
Register of Interim Land Use Plans under the *Economic Development Act 2012* (EDA)
Register of Local and Subordinate Local Laws
Register of PDA Development Applications under the EDA
Register of PDA Development Approvals under the EDA
Register of Permits and Inspection Certificate (under the *Plumbing and Drainage Act 2018*)
Register of Provisional Land Use Plans under the EDA
Register of Regulatory Fees
Register of Show Cause and Enforcement Notices (under the *Plumbing and Drainage Act 2018*)
Register of Submitted Plans of Operation under the EPA
Register of the Testable Back Flow Devices
Roads Map
Register of Interests
Supplementary Information Electoral Donations

Service, Facility or Activity

There are no details to report on for the financial year under this section 190(d) of *the Local Government Regulation 2012*, on action taken for, and expenditure on, a service, facility, or activity:

i) supplied by another local government under an agreement for conducting a joint government activity; and
ii) for which the local government levied special rates or charges for the financial year.

Special Rates and Charges

The Rural Fire Brigade Annual Charge is levied on rateable lands serviced by the rural fire brigades listed below. The funds raised from this charge are provided to the voluntary rural fire services so they can acquire and maintain fire-fighting equipment, provide training to volunteers and to enable them to operate throughout the rural areas of the region.

Table 13 – Rural fire levy 2025/26

Rural fire levy	($)
Black River and Districts	30
Bluewater	110
Bluewater Estate	35
Clevedon	40
Cungulla	40
Horseshoe Bay	39
Lime Hills-Elliot	30
Majors Creek	25
Nome Valley	20
Oak Valley	20
Paluma	45
Purono Park	5
Rangewood	25
Rollingstone	30
Rupertswood	30
Saunders Beach	45
West Point	30

Concession for Rates and Charges

During 2025/26 Council granted a range of rates and charges concessions. In accordance with section 190(1)(g) of the *Local Government Regulation 2012*, a summary of all concessions granted for rates and charges is detailed below.

Hardship Concession

Council provided concessions on the grounds that payment of the rates or charges will cause hardship to certain landowners. Concessions provided under the Hardship Concession Policy included interest free payment plans and rate deferrals. Further details on the Hardship Concession Policy can be found on Councils website.

Pensioner Rate Concession

A concession was offered to approved pensioners who own and occupy their property as their principal place of residence. The maximum pensioner rates concession available to pensioners who were receiving the concession prior to 1 July 2025 was $800 for the year. New applicants were eligible for a concession of either $400 per year where all property owners were in receipt of a full pension, or $200 per year where not all owners were approved pensioners or receiving a full pension.

The amount of pensioner rates concession available to each approved pensioner was calculated by reference to the proportion of a full pension that the ratepayer received, and the proportionate ownership share of the owner-occupied property.

Further details on the Pensioner Rates Concession Policy are available on Council's website.

Pre-2016 Pensioner Arrears Concession

Council provided rates concessions to assist the owners of properties identified in the Pre-2016 Pensioner Arrears Concession Policy with significant rate arrears. The concession included a rebate of all interest charges.

Further details on the Pre-2016 Pensioner Arrears Concession Policy are available on Council's website.

Not-for-Profit Charitable Group Concessions

Council allowed a concession of general rates and utilities charges to eligible property owners in recognition of the contribution their activities made to the community. Concessions were granted where they support activities that benefit the broader community, either directly or indirectly through community, sporting, housing, charitable or religious services.

Further details on the Charitable and Community Organisations Rates and Charges Concessions Policy are available on Council's website.

Reduction of Water Consumption Charges Concession

In certain circumstances, Council provided reduced water consumption charges for property owners who became responsible for those charges as a result of a concealed leak. Where an application for a reduction in water consumption charges was approved, a concession equal to 50% of the excess water charges was provided.

Further information on the Reduction of Water Consumption Charges Policy is available on Council's website.

Concession of Water Charges for Home Haemodialysis Patients

Council provided a concession for water service charges incurred in respect of kidney disease patients who were undergoing home haemodialysis treatment. The concession was $267.00 per annum, administered on each half yearly rate notice.

Further information on Concession of Water Charges for Home Haemodialysis Patients Policy is available on Council's website.

Concession of Disposal Fees for Charity Bin Waste

Council waived fees associated with disposal of waste from charity bins for charitable organisations that operated a charity bin service to raise funds for a charitable purpose.

Further information on Concession of Disposal Fees for Charity Bin Waste Policy is available on Council's website.

Report on Internal Audit

Internal Audit is an independent, objective assurance and advisory activity established within Council and is designed to add value and improve operations and governance. The unit operates under the Council's Internal Audit Policy and in accordance with the Internal Audit Charter which is endorsed by the Council's Audit and Risk Committee. The Charter authorises direct access to the Audit and Risk Committee through the Chair and appropriate access to all activities, records, property and personnel within Council. Internal Audit applies a risk-based approach to its activities and works closely with the corporate Risk Management function to gain risk and assurance coverage across Council. The Internal Audit unit is guided by a strategic plan approved by the Audit & Risk Committee and provides an annual report to the Committee on overall progress of the unit each year.

The Internal Audit function returned to a compliment of two full-time in-house Internal Auditors late in the financial year and supplemented the in-house capability with co-sourced resourcing.

Council's Internal Auditors are required to undertake training activities in alignment with professional membership requirements and as part of the annual Internal Audit Plan, which is approved and monitored by the Council's Audit and Risk Committee. Councils Internal Auditors are specialists with memberships of relevant organisations including the Institute of Internal Auditors (Aust) and Chartered Accountants Australia and New Zealand while holding the following professional qualifications:

Certified Internal Auditor	2
Certification in Risk Management Assurance	1
Chartered Accountant	1
Certified in Cybersecurity	1
Certified Fraud Examiner	1
Certified Internal Controls Auditor	1

The Internal Audit unit applies a risk-based approach to its planning and audit activities to produce an assurance map for the business which supports nomination of prospective assurance projects. Annual and three-year Internal Audit plans are prepared based on Council's Enterprise-Wide Risk Management assessments and a range of other relevant sources of information including the Queensland Audit Office, State departments, Institute of Internal Auditors, and other local governments. The Council's Audit and Risk Committee reviews, approves and then monitors performance against this plan at meetings. For the year ended 30 June 2026, Internal Audit and external providers, completed four reviews and fifteen health checks were conducted on prior period reports from across Council in accordance with the Internal Audit Plan. The four new reviews completed included the following areas:

- Venue utilisation
- Managing surplus land
- Critical assets
- Asset Management

Additionally, Internal Audit conducts ongoing monitoring and management of previously raised audit findings.

The Internal Audit unit works collaboratively with management to recommend improvements to systems, processes, work practices, compliance and business effectiveness, remaining independent and objective in the fulfilment of its duties.

Internal Audit complies with Queensland Government legislative requirements for the conduct of internal auditing in addition to meeting the professional standards of the Institute of Internal Auditors. The Institute's global internal audit standards require an external quality assessment at least every five years which Council last completed in April 2024. Council monitors the ongoing quality of its Internal Audit function through activities which include quarterly progress reports and customer surveys of key stakeholders. Internal Audit implements changes to achieve compliance with the global standards which this year included the introduction of the Cybersecurity Topical requirement which became effective in February 2026.

External Audit

Council is audited externally each year by the Queensland Audit Office (or their appointed contractors). During the 2025/26 financial year the annual external audit of Council's financial statements was conducted by Crowe Audit Australia.

Audit and Risk Committee

Audit and Risk Committee

The Audit and Risk Committee is an advisory committee of Council, which provides an independent forum where representatives of Council, independent specialists and management work together to fulfil specific governance responsibilities as set out in its Terms of Reference. The Committee provides independent oversight and assurance and supports Council in fulfilling its responsibilities relating to financial reporting, internal and external audit, significant risk management, internal controls, legislative compliance and governance functions.

During 2025/26, the Committee considered matters including financial management, compliance, governance and fraud prevention, internal controls, enterprise risk management, policy and key guidance oversight, emergency response and business continuity, internal audit activities, external audit findings, and quality assurance of risk and audit functions and Audit and Risk Committee activities. The Committee also monitored management's progress in implementing audit recommendations.

The Committee met four times during the reporting period and presented its associated meeting reports to Council for noting. Committee meeting dates for 2025/26 included:

- 19 August 2025
- 25 November 2025
- 10 March 2026
- 26 May 2026

The Audit and Risk Committee has four members, two independent of Council and two Councillors.
Independent Members:

- Ms Renita Garard AM (Chair)
- Ms Helen Stanton

Councillor Members:

- Cr Andrew Robinson
- Cr Ann-Maree Greaney

Number of Invitations to Change Tender

There were no reportable invitations made by Council to change tenders during the period.

Beneficial Enterprises

Section 39(3) of the *Local Government Act 2009* defines a beneficial enterprise as an enterprise that a local government considers is directed to benefiting, and can reasonably be expected to benefit, the whole or part of its local government area.

Section 39(4) of the *Local Government Act 2009* provides that a local government is conducting a beneficial enterprise if the local government is engaging in, or helping, the beneficial enterprise.

Council participated in beneficial enterprises with the Townsville Breakwater Entertainment Centre Joint Venture during the 2025/26 financial year.

Council holds a 50% shareholding in NQ Spark Pty Ltd. This company is responsible for the establishment and operation of an advanced simulation facility in Townsville and will contribute to the development of industry sectors including emergency services, and disaster management.

Council was the controlling entity of North Rail Yard Developments Pty Ltd up to 12 March 2026, at which time it was deregistered.

Significant Business Activities

Townsville City Council conducted the following significant business activities during the financial year:

- Water Services
- Resource Recovery

Council's water, sewerage, resource recovery, and waste management activities were considered significant business activities for the period and applied the competitive neutrality principle through the application of full cost pricing, identifying the cost of community service obligations and eliminating the advantages and disadvantages of public ownership within that activity.

When assessing business activities as part of the development of the 2025/26 budget, section 19 of the Local Government Regulation 2012 prescribed the thresholds that a business activity must meet to be a significant Business Activity for the financial year:

- If the business activity is the provision of combined water and sewerage services, the threshold is 10,000 or more premises being connected to a water service as of June 30 of the financial year, ending immediately before the current financial year.
- For any other business activity, the threshold is expenditure of at least $9.7 million for the financial year ending immediately before the current financial year.

No new significant business activities were identified during the financial year.

Further information can be found in Note 24: National competition policy, of Council's financial statements which forms part of this annual report.

Competitive Neutrality

No investigation notices were issued in 2025/26 by the Queensland Competition Authority for competitive neutrality complaints.

Water Annual Operations Report



Our Objective

Water Services' objective is to provide safe, reliable and sustainable water and wastewater services for the benefit of the Townsville community.

Purpose of this Report

This Annual Operations Report provides an overview of Water Services operations and performance for the 2025/26 financial year. Section 190(1)(c) of the *Local Government Regulation 2012* requires that Townsville City Council must include an Annual Operations Report for each commercial business unit in the Council's Annual Report.

Water Fast Facts

Water Services is a significant business activity for Council, providing water and wastewater services to the Townsville Community. It supplies potable water, collects and treats wastewater and supplies recycled water.

Water and Wastewater



combined operational and capital expenditure **$237.8m**

Water



treated **44,419 megalitres** of safe, high-quality potable water

supplied water to **90,379** service connections in Townsville region

Wastewater

treated **22,782 megalitres** of wastewater





serviced **77,977** residential, commercial and industrial properties

Assets



managed assets valued at over **$4 billion**



operates **2 major water storages**

4 water treatment plants

6 wastewater treatment plants

43 water reservoirs

203 wastewater pump stations



27 water pump stations

more than **2,800 kilometres** of water mains



more than **1,400 kilometres** of sewer mains

Assessment of Operations

Significant events and initiatives undertaken during the year are summarised below.

Blue-Green Algae

Council continues to adapt and manage the impacts on raw water quality caused by the presence of blue- green algae in the Ross River Dam. Blooms or high levels of algae can affect the treatment and production of potable water by clogging filters and increasing the amount of chemicals used to disinfect the water and remove any impurities.

Blue-green algae blooms continued to impact raw water quality in 2025/26 as weather conditions, nutrients and algae levels in the Ross River Dam fluctuated throughout the year. Extended releases from the Ross River Dam during the 2025 and 2026 wet seasons effectively reduced algal levels throughout the 2025/26 financial year. Council continues to undertake extensive water monitoring to ensure the delivery of safe drinking water, while proactively investigating long-term solutions to manage future blue-green algae events.

Wet Weather Resilience Program

The 2025/26 wet season was less impactful than the previous years, with approximately 1,491mm of rainfall recorded from late December to March, with the weather from Cyclone Koji also contributing to that total. Council continues to monitor its sewerage network performance and implement infrastructure renewals and upgrades to ensure that it is providing the optimal solutions for the local community. Council is investigating various infrastructure and operational works to improve the network's performance during dry tropics wet weather events including:

- A 2-stage infrastructure upgrade to the Wulguru wastewater network involving upsizing and diverting current network elements to provide increased capacity to meet significant wet weather events.
- Continuation of an extensive sewer relining program to renew the function of approximately 4.5km of wastewater network across Townsville.
- Reviewing and updating wastewater pump station operating parameters to increase the capability to manage excess loading in the network.

These annual works programs are important to maintaining our wastewater services to the Townsville community.

Townsville Laboratory Services

During 2025/26 the Scientific Services team has successfully included per- and polyfluoroalkyl substances (PFAS) analysis in soils and biosolids in its scope of accreditation. This expanded accredited capability is critical for evaluating biosolids in line with the End of Waste Code issued by the Queensland Government. We also gained accreditation for testing of bacteria, moulds and yeasts on surfaces. This hygiene testing capability not only expands the revenue potential but more importantly provides a monitoring service for food manufacturing and packaging businesses in the region.

We have also started the method development for volatile and semi-volatile organic compounds, as well as pesticides using our state-of-the-art gas chromatograph systems with triple quadrupole mass spectrometers. VOC and SVOC testing provides critical information for protecting public health, safeguarding the environment, meeting regulatory requirements, and supporting informed decisions about contamination management and remediation. In environmental and water quality programs, these analyses are often essential for detecting pollutants that may not be identified through routine chemical testing alone.

In parallel, our scientists are working on expanding our disinfection by-products testing to include haloacetic acids.

Our microbiology team is validating the AS 5013 series test methods for heterotrophic plate count, *Enterobacteriaceae* and *Salmonella sp.* The AS 5013 series microbiological methods are important because they provide standardised, validated, and nationally recognised procedures for detecting and enumerating

microorganisms that are used to assess food safety, hygiene, and process control in food production and environmental monitoring program.

In addition, we are now actively supporting collaborative research between Council and academic institutions. We are currently working with our candidates and teams in both James Cook University and Monash University on scalable solutions for blue-green algae management - an area of growing operational importance. Moreover, the Scientific Services team is providing more dedicated support to other areas of Council including Yellow crazy ants program and the Resource Recovery team.

Major Investments

During 2025/26, Water Services invested in the below water and wastewater infrastructure.

Table 14 – Water services major investments

Service Category	MYR Budget ($'000)	Actual Investment ($'000)	Variance ($'000)
Water Services	81,109	65,241	15,868
Wastewater Services	19,616	14,098	5,518
Total	**100,724**	**79,339**	**21,386**

Community Service Obligations

Table 15 – Water Services community service obligations

Service Category	MYR Budget ($'000)	Actual Investment ($'000)
Price concessions – water and wastewater charges in recognition of an activity's contribution to the social and cultural welfare of the community	4,695	-
Churches, church halls, clubhouses, and halls – charitable and non-profit organisations	-	1,134
Charitable and non-profit aged care facilities	-	773
Sporting field irrigation – restricted public access (not including schools, tertiary institutions, and other educational facilities)	-	834
Retirement/lifestyle villages	-	218
Water leakage concession	-	204
Caravan parks	-	331
Commercial irrigation	-	33
Boarding and lodging houses	-	200
Sporting Recreation	-	114
Water charge remission	-	9
Sewerage charge remission	-	8
Sporting field irrigation – no public access restrictions (not including schools, tertiary institutions, and other educational facilities)	-	3
War graves	-	2
Water haemodialysis concession	-	1
Total	**4,695**	**3,864**

Council Directions to Water Services

Council made no directions to Water Services during the financial year.

Performance Targets

In the 2025/26 financial year, Water Services measured its performance against the below performance indicators as outlined in its Water Services Performance results.

Key: Target Met ✅ Target Not Met ❌

Table 16 – Water Services performance target 2025/26 results

Performance Measure	Description	Target	2025/26 Result
Economic Sustainability			
Net Operating Result	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of budget	7.3%
Asset Renewal	Rehabilitation capital works / depreciation charges	Minimum 60%	48.75%*
Social Responsibility			
Drinking water quality compliance	Percentage of compliance with all drinking water quality requirements in accordance with Townsville Water's Drinking Water Quality Management Plan	100%	*99%
	Number of water quality and water pressure complaints in accordance with Townsville Water's Customer Service Standards	<5 for each 1,000 connections	1.08 Complaints
Adequacy and quality of supply	Water Quality Non-compliance reportable to the Regulator.	<7 per 1,000 connections	1 Report(s)
	Unplanned water interruptions	<100 interruptions per 1,000 connections	11/1,000 connections
Day to day continual supply	Average response time to water incident (excluding disaster)	<4 hours of advice of incident being reported	3.53 hours
	Restoration of Service – Time for restoration of service for unplanned interruptions (excluding excavations)	>95% within 24 hours	100 %
Environmental Responsibility			
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued, or instances of legal action initiated by the regulator for non-compliance with respect to sewerage treatment or reticulation activities	Zero	0
Dry weather sewerage releases	Number of dry weather total sewerage overflows per 100km of sewer main per year	<10 per 100km of sewer main	2
Responsibly Governance			
Dam Safety Compliance	100% compliance with dam safety regulations	100%	100%
Wastewater collection and treatment compliance	Percentage of compliance with regulatory requirements, service standards and environmental licence requirements	100%	100%

[N] *Favourable result compared with budget primarily driven by adjustments arising from asset impairments.*

*48.75%*Ratio reflects the deferral of renewal projects to the 2026/27 financial year, this is due to a combination of factors including, but not limited to, procurement, design readiness, operational considerations*

[*] *99% Over the 2025/26FY, there was one reportable breach in Q3, this event was recognised early and rectified within 48 hrs. Water remained safe to drink during the event*

Resource Recovery Annual Operations Report



Our Objective

Resource Recovery's objective is to contribute to the delivery of a healthy and eco-friendly city through the provision of waste and recycling services that deliver safe, reliable, affordable and sustainable waste management and resource recovery services for the city.

Purpose of this Report

This Annual Operations Report provides an overview of Water Resource Recovery operations and performance for the 2025/26 financial year. Section 190(1)(c) of the *Local Government Regulation 2012* requires that Townsville City Council must include an Annual Operations Report for each commercial business unit in the Council's Annual Report.

Resource Recovery Fast Facts

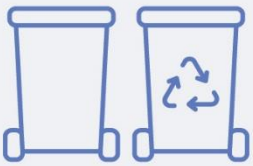
Resource Recovery is a significant business activity for Townsville City Council, providing solid waste management and recycling services to the Townsville community through waste collection, transportation, recycling and disposal.

Resource Recovery Services



combined operational and capital expenditure
$50.8m

provided
86,370
domestic waste services per week



provided
83,182
recycling per fortnight

provided
931
domestic bulk bins in service



serviced
227
bulk bins each day



serviced
384
public bins each day

Our Facilities



1 active landfill site



5 waste transfer stations



322,808
customer visits



received 304,565 tonnes for processing

Assessment of Operations

Significant initiatives undertaken during the year are summarised below.

NQ Recycling Enterprise Precinct & Bulk Transfer Station

The Townsville Waste and Resource Recovery Infrastructure Report produced in 2021 identified the need for development of a regional Recycling Enterprise Precinct to aggregate diverted products and create the economies of scale required to incentivise investment in the local circular economy and development of local remanufacturing capacity. To progress this, Resource Recovery developed a Scoping and Definition Study Report, Options Report, and Siting Study. These reports defined the strategic need, scope and definition, of the requirements for a new Recycling Enterprise Precinct to service not only Townsville, but the greater North Queensland Regional Organisation of Councils (NQROC). Works that seek external funding are underway to ensure the financial sustainability of this future project.

Regional Engagements for Recycling Services

Townsville City Council have engaged with other members of the North Queensland Regional Organisation of Councils to enter long-term recycling engagements. These engagements aim to provide business with the economies of scale required to invest in state-of-the-art processing equipment to deliver optimised regional recycling initiatives. The materials being processed are Concrete, Green Waste & Mattress processing. These engagements focus on local businesses to ensure that council is positively contributing to the local economy.

Capital Investment in Waste

Capital works were carried out during the financial year to ensure Council continues to meet its waste and resource recovery obligations for its community, while managing the social licence for its sites, and maintaining the sites in an environmentally compliant manner. As a result, $1.6 million was spent in capital expenditure across the portfolio which included the following key projects:

- Commencement of construction of Stuart Landfill Cells 4 & 5 & Sediment Pond 3.
- Completion of rehabilitation and post-closure care works at the Jensen Landfill.
- Completion of rehabilitation at Hervey Range Landfill.
- Upgrade of the Stuart Waste Facility Weighbridge.
- Purchase and repair of TCC bulk bins.
- Installation and Renewal of In-Vehicle Management Systems for 30 Waste Collection Trucks.

Waste Minimisation and Education Activities

Waste reduction and recycling face-to face engagements continued during the financial year with an additional Projects & Education officer employed to implement the Resource Recovery Behaviour Change Framework. Activities included engagement with early learning centres, schools, workplaces, and community groups. Over the year, Council's Resource Recovery Educator delivered 58 education sessions at Townsville's Materials Recovery Facility (MRF) to more than 1,300 primary school students. Our Resource Recovery Educators also held tours at the MRF and manned stalls at community events. To address fire risk in bins, Resource Recovery has continued to produce social media messaging about keeping combustible items and batteries out of bins, educating community on the correct disposal.

Council also introduced initiatives such as:

- The Uniform Recycling program which has been very popular and in 2025/26 diverted more than 150kg away from landfill. Items diverted include work uniforms, hard hats, steel cap boots and other safety wear.

- The Bin-Health Check Program which commenced in March 2025 and has continued into the 2025/26 financial year. A few delays have occurred in response to weather events, contractor availability and modification to the program.
- Procurement of a new educational tool to make recycled pens from plastics bottle lids, which has become very popular with the community.

Major Investments

During 2025/26, Resource Recovery invested in the below resource recovery infrastructure. Investment primarily related to rehabilitation of the Jensen Landfill site.

Table 17 – Resource Recovery major investments

Service Category	MYR Budget ($'000)	Actual Investment ($'000)	Variance ($'000)
Solid Waste Disposal and Waste Management	6,100	1,577	4,523
Total	**6,100**	**1,577**	**4,523**

Community Service Obligations

Table 18 – Resource Recovery community service obligations

Service Category	MYR Budget ($'000)	Actual Investment ($'000)
Concession on landfill fees for charity organisations	48	40
Dead animal collection services	89	95
Infirm services	83	83
Free dump weekends	165	156
Community clean up events	4	13
Concessions on landfill fees for illegal dumping	8	1
Hire of bins for community clean ups	3	0
Concessions on landfill fees for North Rail Yards site	3,330	3,182
Total	**3,730**	**3,570**

Council Directions to Resource Recovery

Council made no directions to Resource Recovery during the financial year.

Performance Targets

In the 2025/26 financial year, Resource Recovery measured its performance against the below indicators as outlined in its Resource Recovery Performance results.

Key: Target Met ✅ Target Not Met ❌

Table 19 – Resource Recovery performance target 2025/26 results

Performance Measure	Description	Target	2025/26 Result
Economic Sustainability			
Net Operating Result	Comparison of the actual net operating result with the budgeted net operating result	Within 5% of budget	58.4%[N]
Social Responsibility			
Customer service and collection performance	Less than 1 missed service for every 1,000 kerbside waste and recycling services	<1 for each 1,000 Bin(s)	0.44 missed bins
	Response time to missed kerbside waste and/or recycling services	>95% by the next business day	88%[†]
	Response time to new residential kerbside service commencement	95% within 3 Business Days	96%
	Response time to repair/replacement requests for waste and/or recycling services	95% within 3 Business Days	99%
Environmental Responsibility			
Penalty infringement notices or legal action for non-compliance	Number of penalty infringement notices issued or instances of legal action initiated by the Regulator for non-compliance	Zero	0

[N] *Favourable result to budget primarily driven by revised estimates of the future costs required to maintain closed landfill sites*

[†] *Severely impacted by the resourcing requirements across the service.*

Glossary and Index



Glossary

Term	Definition
Administrative Directive	Describes what the Chief Executive Officer (acting under section 257 of the *Local Government Act 2009*) considers to be appropriate in relation to specific issues arising out of either legislation or Council decisions. They generally relate to the implementation of the day-to-day operations of the Council. Administrative directives are considered by Directors and Senior Managers and approved by the Chief Executive Officer.
Annual Budget	The Council's annual budget identifies the planned expenditure and revenue approved by Council for a financial year. This includes any specific activities as priority under the Operational Plan.
Annual Report	A Statutory report under the *Local Government Act 2009* that provides accountability to the community for the past financial year. The report contains a summary of progress toward the City Vision through implementation of the Corporate and Operational Plans, the auditor's report, audited financial statements and an address by the Mayor and CEO.
Asset	An item that has potential or actual value to an organisation.
Australian Accounting Standards	Accounting Standards issued by the Australian Accounting Standards Board that are equivalent to standards issued by the International Accounting Standards Board. These standards are binding on Queensland Councils and all other bodies established pursuant to the *Local Government Act 2009*.
Blue-Green Algae	Microscopic organisms found in water that can produce toxins and affect water quality.
Community	A group of people living in the same locality and under the same government.
Community Engagement	Community engagement is interaction between council and any section of the community, either individually or as a group, and includes information sharing, consultation and/or active participation.
Corporate Plan	Council's Corporate Plan outlines it's vision and translates it into medium and long-term priorities, outcomes and strategies for a minimum five-year period.
Councillors	Elected representatives of Council who serve a 4-year term.
Financial Statements	The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows prepared in accordance with Australian Accounting Standards together with the notes and certification statements.
Governance	The process by which decisions are taken and implemented, organisations are controlled and managed to achieve their objectives, and the process by which organisations are directed, reviewed and held to account.
Liveability	Liveability refers to a combination of factors that contribute to quality of life. These include the impact of built and natural environment as well as economic, social and cultural factors.

Local Government Act 2009	The principal legislation which provides the legal framework for Queensland's local government sector.
Local Government Association of Queensland (LGAQ)	The peak body for local government in Queensland. A not-for-profit association set up solely to serve the state's 77 Councils and their individual needs.
Local laws	Those laws under the jurisdiction of Council and enforced by Council staff and/or Police.
MYR Budget	Mid-year (MYR) budget review adopted by Council throughout the financial year. The MYR replaces the adopted budget.
Objective	Something toward which work is to be directed, a strategic position to be attained, or a purpose to be achieved, a result to be obtained, a product to be produced, or a service to be performed.
Operational Plan	A document with a one-year outlook, which outlines the key activities to be undertaken to achieve the desired outcomes set out in the Corporate Plan. This is a legislative requirement.
Personal protective equipment (PPE)	Refers to anything worn or used to minimise risk to workers' health and safety. This may include but is not limited to; boots, ear plugs, face masks, gloves, goggles, hard hats, high visibility clothing, safety shoes and sunscreen.
Policy	A statement formally adopted by Council that describes the Council's position on a particular issue. All policies are consistent with Council's long, medium and short-term planning outcomes and some will directly support the delivery of the Council's Community and Corporate Plans.
Service	A service is a group of activities provided to the city e.g., waste collection which manages a range of different waste collection types.

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Index of Reportable Disclosures

Below is an index of the relevant sections of this report that pertain to the statutory requirements* for a local government annual report:

*LGA – *Local Government Act 2009*
LGR – Local Government Regulation 2012
PSEA – *Public Sector Ethics Act 1994*

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Remuneration packages payable to Councillor advisors	s201(1)(c)(i) LGA	43
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Appendix



General Purpose Financial Statements 2025/26

The following pages contain Townsville City Council's audited financial statements for the year ended 30 June 2026. Please note that page numbering recommences at page 1 for this section.

2025/26

Townsville City Council

General Purpose Financial Statements



Townsville City Council

General Purpose Financial Statements

for the year ended 30 June 2026

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Townsville City Council

Statement of Comprehensive Income

for the year ended 30 June 2026

	Notes	2026 $ '000	2025 $ '000
Income			
Recurrent revenue			
Rates, levies and charges	3a	483,752	442,336
Fees and charges	3b	47,684	44,149
Grants, subsidies and contributions	3c	33,690	40,846
Total recurrent revenue		565,126	527,331
Interest received		10,574	3,602
Other income	4	15,472	13,281
Total operating revenue		591,172	544,214
Capital income			
Grants, subsidies, contributions and donations	3c	155,151	70,052
Other capital income		1,716	782
Total capital income		156,867	70,834
Total income		748,039	615,048
Expenses			
Recurrent expenses			
Employee and councillor costs	5	179,342	170,956
Materials and services	6	226,699	201,752
Finance costs	7	20,579	19,704
Other expenses		902	1,407
Depreciation and amortisation			
- Property, plant and equipment	11	155,704	149,940
- Intangible assets		61	1,037
- Right of use assets	13	2,656	2,694
Total recurrent expenses		585,943	547,490
Capital Expenses	8	31,588	3,353
Total expenses		617,531	550,843
Net result		130,508	64,205
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	11	23,590	203,478
Total comprehensive income for the year		154,098	267,683

The above statement should be read in conjunction with the accompanying notes.

Townsville City Council

Statement of Financial Position

as at 30 June 2026

	Notes	2026 $ '000	2025 $ '000
Assets			
Current assets			
Cash and cash equivalents	9	226,193	187,650
Receivables	10	92,719	66,533
Inventories		4,021	3,514
Contract assets	12	20,965	13,039
Other assets		5,121	5,630
Total current assets		349,019	276,366
Non-current assets			
Property, plant and equipment	11	7,290,538	7,222,014
Right of use assets	13	20,965	19,187
Intangible assets		165	1,620
Other assets		10,419	8,575
Total non-current assets		7,322,087	7,251,396
Total assets		7,671,106	7,527,762
Liabilities			
Current liabilities			
Payables	14	93,188	79,562
Contract liabilities	12	88,936	61,209
Borrowings	15	45,746	43,575
Lease liabilities	13	2,294	2,213
Provisions	16	35,888	35,181
Other liabilities		5,396	6,139
Total current liabilities		271,448	227,879
Non-current liabilities			
Borrowings	15	341,727	385,462
Lease liabilities	13	20,937	18,948
Provisions	16	28,831	34,492
Other liabilities		4,985	5,743
Total non-current liabilities		396,480	444,645
Total liabilities		667,928	672,524
Net community assets		7,003,178	6,855,238
Community equity			
Asset revaluation surplus	17	2,553,825	2,530,235
Retained surplus		4,449,353	4,325,003
Total community equity		7,003,178	6,855,238

The above statement should be read in conjunction with the accompanying notes.

Townsville City Council

Statement of Changes in Equity
for the year ended 30 June 2026

	Notes	Asset revaluation surplus $ '000	Retained surplus $ '000	Total equity $ '000
Balance as at 1 July 2025		2,530,235	4,325,003	6,855,238
Adjustment to opening balance - donated assets	11	–	3,435	3,435
Adjustment to opening balance - accumulated depreciation	11	–	(9,593)	(9,593)
Restated balance as at 1 July 2025		2,530,235	4,318,845	6,849,080
Net result		–	130,508	130,508
Other comprehensive income for the year				
- Increase in asset revaluation surplus	11	23,590	–	23,590
Total comprehensive income for the year		23,590	130,508	154,098
Balance as at 30 June 2026		2,553,825	4,449,353	7,003,178
Balance as at 1 July 2024		2,326,757	4,260,798	6,587,555
Net result		–	64,205	64,205
Other comprehensive income for the year				
- Increase in asset revaluation surplus	11	203,478	–	203,478
Total comprehensive income for the year		203,478	64,205	267,683
Balance as at 30 June 2025		2,530,235	4,325,003	6,855,238

The above statement should be read in conjunction with the accompanying notes.

Townsville City Council

Statement of Cash Flows

for the year ended 30 June 2026

	Notes	2026 $ '000	2025 $ '000
Cash flows from operating activities			
Receipts from customers		600,793	573,464
Payments to suppliers and employees		(441,326)	(408,491)
Interest received		10,024	3,552
Finance costs		(17,542)	(17,224)
Net cash inflow from operating activities	21	151,949	151,301
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		3,602	1,692
Grants, subsidies, contributions and donations		98,829	127,978
Payments for property, plant and equipment		(171,691)	(178,063)
Payments for intangible assets		(219)	(1,193)
Net cash outflow from investing activities		(69,479)	(49,586)
Cash flows from financing activities			
Proceeds from borrowings		–	94,952
Repayment of borrowings		(41,564)	(38,297)
Repayments made on leases (principal only)		(2,363)	(2,144)
Net cash inflow (outflow) from financing activities		(43,927)	54,511
Net increase (decrease) in cash and cash equivalents held		38,543	156,226
Cash and cash equivalents at the beginning of the financial year		187,650	31,424
Cash and cash equivalents at the end of the financial year	9	226,193	187,650

The above statement should be read in conjunction with the accompanying notes.

Townsville City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Information about these financial statements

(a) Basis of preparation

Townsville City Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2025 to 30 June 2026. They are prepared in accordance with the requirements of the *Local Government Act 2009* and the Local Government Regulation 2012.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment.

(b) The local government reporting entity

As at 30 June 2026, Council was party to the following joint ventures and controlled entity:

- Townsville Breakwater Entertainment Centre Limited; and
- NQ Spark Pty Ltd

Council has a 79.8% ownership interest in an unincorporated joint venture known as the Townsville Breakwater Entertainment Centre. This joint venture exists between Breakwater Island Limited as trustee of the Breakwater Island Trust and the Townsville City Council. Council impaired its investment in the joint venture to nil in 2017/18.

Pursuant to the terms of the management agreement, Townsville City Council provides a capped operating cost contribution fee each financial year, and Breakwater Island Limited indemnifies the joint venture from any amount by which defined costs exceed total revenue. All contributions are recorded in the Statement of Comprehensive Income.

Council has a 50% ownership interest in NQ Spark Pty Ltd, which is responsible for the establishment of an advanced environmental simulation facility in Townsville. The joint venture exists between James Cook University and Townsville City Council. Profit from operations for the current year has not been included in Council's financial statements as the amount is not material.

Council was the controlling entity of North Rail Yard Developments Pty Ltd up to 12 March 2026, at which time it was deregistered (Note 25).

(c) Rounding and comparatives

The financial statements are in Australian dollars that have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless otherwise stated.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

continued on next page ...

Note 1. Information about these financial statements (continued)

(d) Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

- Revenue recognition (Note 3)
- Valuation of property, plant and equipment including useful life assessments, fair value and impairment (Note 11)
- Measurement and recognition of provisions (Note 16)
- Measurement and recognition of the impairment of trade receivables (Note 23)

(e) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax (GST) and Payroll Tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

(f) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2026. Those standards have not been adopted by Council and will be included in the financial statements on their effective date. Council has assessed all the standards which are not yet effective and has determined that there is no expected material impact on the reported financial position or performance.

(g) New and revised Accounting Standards adopted during the year

There were no relevant new accounting standards mandatorily effective for the year ended 30 June 2026.

(h) Volunteer services

Volunteer services have not been recognised in the Statement of Comprehensive Income because Council would not purchase these services had they not been donated, and the value cannot be reliably measured.

Townsville City Council

Notes to the Financial Statements
for the year ended 30 June 2026

Note 2. Analysis of results by function

(a) Components of Council's functions

The activities relating to Council's components reported in Note 2(b) are as follows:

(i) Cultural and community services
Maintain and grow events, arts, sport and cultural services to improve the liveability of Townsville. Develop and support cultural and community experiences in Townsville and maintain public and environmental health. Includes community support, community facilities, libraries, visual and performing arts, events and enforcement compliance.

(ii) Drain and stormwater management
Manage drainage and stormwater infrastructure.

(iii) Environment and sustainability services
Support environmental sustainability, natural hazard and resource management and foster sustainable management of our environment. Increase natural landscape resilience of creeks, riverbanks, coastal shorelines, wetlands, forests and tropical savannas through rehabilitation, stabilisation and restoration.

(iv) Parks and open space management
Manage a diverse network of parks, open spaces, coastal and recreational facilities.

(v) Planning and development
Provide a strategic approach to long-term planning and policy development ensuring that Townsville manages natural hazards, growth and promotes economic development while protecting and conserving our natural resources and heritage. A key part of the land use strategy is ensuring the city develops within the urban growth corridors to provide more efficient performing infrastructure.

(vi) Roads and transport management
Provide a reliable and efficient transport network considering future transport needs whilst encouraging active travel methods.

(vii) Service partners
Provide a wide range of professional services, policy implementation and advice to both internal and external customers. Enable delivery of Council’s strategic and operational priorities within legislated requirements and good governance practices, through business systems and structures.

(viii) Water services
Water Services is a significant business activity of Townsville City Council, providing potable water and recycled water.

(ix) Wastewater services
Wastewater Services is a significant business activity of Townsville City Council and collects and treats wastewater for disposal or reuse.

(x) Resource recovery
Resource Recovery is a significant business activity of Townsville City Council, providing waste management, recycling and resource recovery services.

Components grouped by entity

Council has identified its operating components and grouped them by entity based on the internal reports that are reviewed and used by management in assessing performance and in determining the allocation of resources and assets.
The components above are grouped into the following entities and reported in Note 2(b):

(i) to (vii) Council Functions;
(viii) to (ix) Townsville Water;
(x) Resource Recovery

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2. Analysis of results by function (continued)

(b) Income, expenses and assets attributed to Council functions

	Income						Expenses					
Functions	Recurrent grants $ '000	Recurrent other $ '000	Internal eliminations $ '000	Capital grants $ '000	Capital other $ '000	Total income $ '000	Recurrent other $ '000	Internal eliminations $ '000	Capital other $ '000	Total expenses $ '000	Net result from recurrent operations $ '000	Net result $ '000
2026												
Cultural and community services	1,616	8,053	(36)	–	–	9,633	(62,000)	23,494	(26)	(38,532)	(28,873)	(28,899)
Drain and stormwater management	180	–	–	15,541	11,977	27,698	(18,631)	2,811	(254)	(16,074)	(15,640)	11,624
Environment and sustainability services	4,786	4	–	–	–	4,790	(17,815)	4,002	(53)	(13,866)	(9,023)	(9,076)
Parks and open space management	470	6,925	(5,906)	237	1,593	3,319	(86,461)	34,173	(3,255)	(55,543)	(50,799)	(52,224)
Planning and development	333	10,665	(95)	–	(1,158)	9,745	(21,813)	4,573	(335)	(17,575)	(6,337)	(7,830)
Roads and transport management	14,498	6,970	(1,865)	16,672	42,269	78,544	(115,458)	17,658	(10,929)	(108,729)	(78,197)	(30,185)
Service partners	10,265	411,333	(171,291)	1,067	–	251,374	(218,316)	41,407	(6,059)	(182,968)	73,398	68,406
Water services	297	152,981	(27,408)	21,985	30,772	178,627	(121,162)	42,015	(9,280)	(88,427)	46,723	90,200
Wastewater services	–	114,953	(10,521)	–	14,196	118,628	(89,717)	32,674	(517)	(57,560)	47,389	61,068
Resource recovery	393	78,739	(15,167)	–	1,716	65,681	(64,807)	27,430	(880)	(38,257)	26,588	27,424
Total	32,838	790,623	(232,289)	55,502	101,365	748,039	(816,180)	230,237	(31,588)	(617,531)	5,229	130,508
2025												
Cultural and community services	1,321	7,777	(9)	100	220	9,409	(61,841)	22,847	13	(38,981)	(29,905)	(29,572)
Drain and stormwater management	81	5	(4)	491	8,649	9,222	(16,667)	2,954	(28)	(13,741)	(13,631)	(4,519)
Environment and sustainability services	4,958	1	–	126	–	5,085	(18,696)	4,772	–	(13,924)	(8,965)	(8,839)
Parks and open space management	–	8,212	(7,198)	17	1,938	2,969	(84,175)	35,718	(403)	(48,860)	(47,443)	(45,891)
Planning and development	253	7,569	(59)	–	(594)	7,169	(19,918)	4,880	–	(15,038)	(7,275)	(7,869)
Roads and transport management	24,466	8,173	(4,270)	6,315	20,997	55,681	(108,348)	19,739	(2,587)	(91,196)	(60,240)	(35,515)
Service partners	8,569	398,280	(186,089)	34	–	220,794	(212,404)	40,304	(304)	(172,404)	48,660	48,390
Water services	191	142,413	(25,210)	5,125	13,628	136,147	(114,809)	43,009	(44)	(71,844)	45,594	64,303
Wastewater services	–	107,474	(8,912)	–	13,244	111,806	(91,197)	40,030	–	(51,167)	47,395	60,639
Resource recovery	488	72,657	(16,923)	–	544	56,766	(64,583)	30,895	–	(33,688)	22,534	23,078
Total	40,327	752,561	(248,674)	12,208	58,626	615,048	(792,638)	245,148	(3,353)	(550,843)	(3,276)	64,205

Entity	Assets 2026 $ '000	Assets 2025 $ '000
Rest of Council	4,379,617	4,308,393
Townsville Water	3,204,243	3,129,971
Townsville Waste Services	87,245	89,398
Total Council	7,671,105	7,527,762

Notes to the Financial Statements
for the year ended 30 June 2026

Note 3. Revenue

	2026 $ '000	2025 $ '000
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	233,238	212,470
Water and wastewater utility charges	229,900	216,158
Refuse and recycling utility charges	37,638	30,180
	500,776	458,808
Less: discounts	(4,489)	(4,260)
Less: pensioner and other remissions	(12,535)	(12,212)
Total rates, levies and charges	483,752	442,336
(b) Fees and charges		
Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods or services being provided. This is generally on receipt or issuing of an invoice.		
Licences and animal registrations granted by Council are recognised at the time of issue rather than over the term of the licence and registration period.		
Revenue from infringements is recognised on issue of the infringement notice. Unpaid infringement notices are sent to an external collection agency for recovery and revenue is written off at that point. Subsequent recoveries are recognised as income on receipt.		
Refuse fees	24,411	24,039
Regulatory assessment fees	8,970	6,867
Commercial fees	6,180	5,428
Licences and registrations	2,353	2,286
Infringements	1,877	1,419
Other fees and charges	3,893	4,110
Total fees and charges	47,684	44,149
(c) Grants, subsidies, contributions and donations		
Grant revenue under AASB 15		
Where grant revenue arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligation is satisfied.		
Each performance obligation is considered to ensure the revenue recognition reflects the transfer of control. Control may transfer at a point in time or continuously over the life of the agreement. Where control is transferred over time, costs incurred are used to reflect the transfer of the benefit. Otherwise revenue is recognised at the point of completion of a milestone within the terms of the agreement.		

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Note 3. Revenue (continued)

Grant revenue under AASB 1058
Contributions received for capital purposes

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council. Revenue is generally recognised on receipt of the asset as there are no enforceable performance obligations.

Donated assets

Physical assets contributed to Council by developers in lieu of cash contributions are recognised as revenue when Council obtains control of the assets and fair value can be reliably measured. Non-cash contributions with a value in excess of Council's recognition threshold are recognised as a non-current asset. Those below the threshold are recorded as an expense.

Grants received for capital purposes

Grants received from an enforceable agreement to acquire or construct property, plant and equipment to an identified specification under Council's control, are recognised as revenue when the obligation to construct or purchase is complete.

For construction projects, revenue is recognised as construction progresses in accordance with costs incurred.

	2026 $ '000	2025 $ '000
(i) Operating		
Subsidies and grants received for operating purposes	32,838	40,327
Contributions received for operating purposes	852	519
Total recurrent grants, subsidies, and contributions	33,690	40,846
(ii) Capital		
Contributions received for capital purposes	29,800	20,232
Donated assets	69,849	37,612
Grants received for capital purposes	55,502	12,208
Total capital grants, subsidies, contributions and donations	155,151	70,052

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

	2026		2025	
	Revenue recognised at a point in time $ '000	Revenue recognised over time $ '000	Revenue recognised at a point in time $ '000	Revenue recognised over time $ '000
Grants and subsidies	32,838	55,502	40,327	12,208
Contributions	30,652	–	20,751	–
Donations	69,849	–	37,612	–
	133,339	55,502	98,690	12,208

Notes to the Financial Statements
for the year ended 30 June 2026

Note 4. Other income

	Notes	2026 $ '000	2025 $ '000
Rental income		2,789	2,869
Private works revenue		2,660	1,723
Laboratory service revenue		2,385	2,284
Recovery of expenses		1,690	1,745
Legal recoveries		1,033	727
Insurance recoveries		622	–
Sale of scrap		613	740
Other revenue		3,680	3,193
Total other income		15,472	13,281

Note 5. Employee and councillor costs

Employee benefit expenses are recorded when the service has been provided by the employee.

Staff wages and salaries		162,451	154,054
Superannuation	20	19,059	17,999
Councillors' remuneration		1,848	1,847
Termination benefits		601	1,076
		183,959	174,976
Other employee related expenses		8,068	6,879
		192,027	181,855
Less: capitalised employee expenses		(12,685)	(10,899)
Total employee benefits		179,342	170,956

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

	2026 Number	2025 Number
Total Council employees at the reporting date:		
Elected members	11	11
Indoor staff	902	882
Outdoor staff	641	611
Total full time equivalent employees	1,554	1,504

Notes to the Financial Statements

for the year ended 30 June 2026

Note 6. Materials and services

	Notes	2026 $ '000	2025 $ '000
Accommodation services		11,110	10,188
Administration supplies and consumables		15,007	15,675
Audit of annual financial statements by the Auditor-General of Queensland		305	287
Bulk water supply		20,454	23,257
Contractors and service providers		35,530	34,141
Electricity		13,078	14,489
Employee related costs		4,578	4,339
Equipment and tools		4,686	4,808
Information, technology and communications		16,144	15,458
Insurance		6,424	7,479
Marketing and promotion		7,968	4,518
Other utilities		562	440
Repairs, maintenance and construction		59,807	39,105
State waste levy payment		15,772	16,301
Vehicle and plant operating costs		16,013	13,547
Waste levy rebate *		(4,898)	(6,708)
Other materials and services		6,211	7,954
		228,751	205,278
Less: capitalised materials and services		(2,052)	(3,526)
Total materials and services		226,699	201,752

(*) The State Government provided a rebate of $4,898,400 (2025: $6,707,820) to mitigate the direct impacts of the state waste levy on households.

Note 7. Finance costs

Finance costs charged by the Queensland Treasury Corporation		16,710	16,404
Impairment of receivables		1,815	1,119
Unwinding of discount on landfill restoration provision	16	1,222	1,361
Interest on leases		777	820
Other		55	–
Total finance costs		20,579	19,704

Note 8. Capital expenses

Loss on sale/disposal of property, plant and equipment	20,315	3,353
Impairment losses on property, plant and equipment	8,763	–
Revaluation decrement of property, plant and equipment	2,510	–
Total capital expenses	31,588	3,353

Notes to the Financial Statements
for the year ended 30 June 2026

Note 9. Cash and cash equivalents

	2026 $ '000	2025 $ '000
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end and deposits held at call with financial institutions.		
Cash at bank and on hand	616	921
Deposits at call	225,577	186,729
Balance per Statement of Cash Flows	226,193	187,650
QTC working capital facility		
Unused	100,000	100,000
Facility limit	100,000	100,000
Unrestricted cash		
Cash and cash equivalents	226,193	187,650
Less: externally imposed restrictions on cash	(101,164)	(102,857)
Unrestricted cash	125,029	84,793

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants	93,132	69,941
State Waste Levy	8,032	9,268
Unspent loan monies	–	23,648
	101,164	102,857
(ii) Internal allocations of cash at the reporting date:		
Funds set aside by Council for future works	24,277	7,642
Funds set aside by Council for strategic initiatives	6,600	–
Total internally allocated cash	30,877	7,642

Internal allocations of cash may be changed by Council with a resolution.

Trust funds
In accordance with the *Local Government Act 2009* and the Local Government Regulation 2012, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Council performs only a custodial role in respect of these monies. As these funds cannot be used by Council, they are not brought to account in these financial statements since Council has no control over the assets.

Trust funds held for outside parties		
Monies collected or held on behalf of other entities yet to be paid out	4,592	3,587
Townsville City Council Mayor's Christmas Tree Appeal	–	13
	4,592	3,600

Notes to the Financial Statements

for the year ended 30 June 2026

Note 10. Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase price/contract price). Settlement of these amounts is required within 30 days from the invoice date.

Debts are regularly assessed for collectability and an allowance is made for impairment where appropriate. All known bad debts were written off at 30 June 2026. Subsequent recoveries of amounts previously written off are recognised as income.

Council has the power to sell an owner's property to recover outstanding rate receivables, therefore in accordance with the *Local Government Act 2009*, rate receivables are not impaired unless the expected recovery value is less than outstanding arrears.

Physical assets contributed to Council by developers are recognised as receivables when Council obtains control of the assets and fair value can be reliably measured.

	2026 $ '000	2025 $ '000
Current		
Rates and charges	16,850	15,472
Fees and charges	11,361	6,257
Water charges not yet levied	15,571	13,599
Donated assets receivables	29,918	25,455
Other receivables	20,147	6,207
	93,847	66,990
Less: Loss allowance	(1,128)	(457)
Total current receivables	92,719	66,533

Interest is charged on outstanding rates and utilities at 12.12% per annum from 1 July 2025. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtor receivables.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 11. Property, plant and equipment

	Buildings $ '000	Dams and weirs $ '000	Fixed plant $ '000	Cultural and heritage $ '000	Land $ '000	Land improvements $ '000	Landfills $ '000	Pipe network $ '000	Plant and equipment $ '000	Transport network $ '000	Assets under construction $ '000	Total $ '000
2026												
Measurement basis	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	
Fair value category	Level 2 & 3	Level 3	Level 3	Level 2	Level 2	Level 3	Level 3	Level 3		Level 3		
Asset Values												
Opening gross value as at 1 July	359,499	677,285	1,296,095	20,437	394,010	183,733	83,202	3,212,076	227,829	3,057,181	890,370	10,401,717
Adjustment to opening balances	11	–	17,379	–	–	2,991	710	12,305	11,374	37,546	(109,793)	(27,477)
*Additions	–	–	1,582	–	–	7	–	25,352	514	38,396	175,456	241,307
Disposals	(1,840)	–	(1,174)	(102)	(6,802)	(190)	(3,516)	(26)	(9,508)	(18,810)	–	(41,968)
Revaluation adjustment to profit and loss	–	–	–	–	–	(4,302)	–	–	–	–	–	(4,302)
Revaluation adjustment to asset revaluation surplus	26,791	37,753	–	174	–	–	–	93,436	–	–	–	158,154
Transfers between classes - capitalised items	3,040	(28)	16,985	157	1,982	1,156	–	52,288	23,199	19,470	(118,237)	12
Closing gross value as at 30 June	387,501	715,010	1,330,867	20,666	389,190	183,395	80,396	3,395,431	253,408	3,133,783	837,796	10,727,443
Accumulated depreciation and impairment												
Opening balance as at 1 July	76,057	176,418	458,614	–	–	86,988	57,879	1,366,248	125,789	831,710	–	3,179,703
Adjustment to opening balances	–	–	1,279	–	–	841	22	656	2,730	4,065	–	9,593
Depreciation expense	6,073	1,330	24,419	–	–	4,172	2,124	41,031	21,772	54,783	–	155,704
Depreciation on disposals	(417)	–	(528)	–	–	(125)	(93)	(23)	(7,662)	(7,414)	–	(16,262)
Impairment loss	–	–	–	–	–	–	–	–	–	–	8,763	8,763
Revaluation adjustment to profit and loss	–	–	–	–	–	(1,877)	(1,499)	–	–	–	–	(3,376)
Revaluation adjustment to asset revaluation surplus	10,056	3,386	35,982	–	–	–	–	53,356	–	–	–	102,780
Accumulated depreciation and impairment as at 30 June	91,769	181,134	519,766	–	–	89,999	58,433	1,461,268	142,629	883,144	8,763	3,436,905
Carrying amount as at 30 June	295,732	533,876	811,101	20,666	389,190	93,396	21,963	1,934,163	110,779	2,250,639	829,033	7,290,538
Other information												
Range of estimated useful life (years)	6-206	18-180	7-238	10-200	100-150	2-150	3-70	4-190	1-100	2-177		
***Additions**												
Asset renewals	1,429	201	13,985	–	–	3,301	–	25,007	14,373	15,430	–	73,726
Other additions	1,664	621	9,962	–	723	5,006	288	72,706	3,625	72,986	–	167,581
Total capital expenditure, contributed assets, and assets not previously recorded	3,093	822	23,947	–	723	8,307	288	97,713	17,998	88,416	–	241,307
Asset revaluation surplus												
Opening balance at 1 July	96,522	161,373	381,908	8,102	49,936	–	–	498,765	–	1,333,629	–	2,530,235
Asset revaluation movement	16,357	34,367	(37,300)	174	(5,388)	–	–	36,323	–	(20,943)	–	23,590
Closing balance at 30 June	**112,879**	**195,740**	**344,608**	**8,276**	**44,548**	**–**	**–**	**535,088**	**–**	**1,312,686**	**–**	**2,553,825**

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Notes to the Financial Statements

for the year ended 30 June 2026

Note 11. Property, plant and equipment (continued)

	Buildings $ '000	Dams and weirs $ '000	Fixed plant $ '000	Cultural and heritage $ '000	Land $ '000	Land improve-ments $ '000	Landfills $ '000	Pipe network $ '000	Plant and equipment $ '000	Transport network $ '000	Assets under construction $ '000	Total $ '000
2025												
Measurement basis	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	
Fair value category	Level 2 & 3	Level 3	Level 3	Level 2	Level 2	Level 3	Level 3	Level 3		Level 3		
Asset Values												
Opening gross value as at 1 July	348,427	677,285	1,239,414	18,253	393,939	169,069	84,006	2,777,625	213,580	3,016,035	983,206	9,920,839
*Additions	–	–	–	1,882	–	101	–	19,727	–	20,923	151,092	193,725
Disposals	(915)	–	–	–	(190)	(351)	(804)	(72)	(17,456)	(4,601)	–	(24,389)
Revaluation adjustment to asset revaluation surplus	–	–	–	–	–	–	–	311,542	–	–	–	311,542
Transfers between classes - capitalised items	11,987	–	56,681	302	261	14,914	–	103,254	31,705	24,824	(243,928)	–
Closing gross value as at 30 June	359,499	677,285	1,296,095	20,437	394,010	183,733	83,202	3,212,076	227,829	3,057,181	890,370	10,401,717
Accumulated depreciation and impairment												
Opening balance as at 1 July	70,799	172,185	434,900	–	–	79,806	56,639	1,206,817	122,508	781,605	–	2,925,259
Depreciation expense	5,707	4,233	23,714	–	–	7,459	1,806	35,912	18,430	52,679	–	149,940
Depreciation on disposals	(449)	–	–	–	–	(277)	–	(44)	(15,149)	(2,574)	–	(18,493)
Revaluation adjustment to profit and loss	–	–	–	–	–	–	(566)	–	–	–	–	(566)
Revaluation adjustment to asset revaluation surplus	–	–	–	–	–	–	–	123,563	–	–	–	123,563
Accumulated depreciation and impairment as at 30 June	76,057	176,418	458,614	–	–	86,988	57,879	1,366,248	125,789	831,710	–	3,179,703
Carrying amount as at 30 June	283,442	500,867	837,481	20,437	394,010	96,745	25,323	1,845,828	102,040	2,225,471	890,370	7,222,014
Other information												
Range of estimated useful life (years)	6-201	30-180	7-238	22-200	100-150	2-150	3-100	7-190	1-100	4-159		
***Additions**												
Asset renewals	2,069	15	8,546	12	–	1,893	76	12,416	14,306	11,602	–	50,935
Other additions	652	967	(4,776)	1,957	133	2,456	–	117,064	2,576	21,761	–	142,790
Total capital expenditure, contributed assets, and assets not previously recorded	2,721	982	3,770	1,969	133	4,349	76	129,480	16,882	33,363	–	193,725
Asset revaluation surplus												
Opening balance at 1 July	96,522	161,373	389,651	6,440	50,111	–	–	306,009	–	1,316,651	–	2,326,757
Asset revaluation movement	–	–	(7,743)	1,662	(175)	–	–	192,756	–	16,978	–	203,478
Closing balance at 30 June	**96,522**	**161,373**	**381,908**	**8,102**	**49,936**	**–**	**–**	**498,765**	**–**	**1,333,629**	**–**	**2,530,235**

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Note 11. Property, plant and equipment (continued)

(a) Recognition

Property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the asset will flow to Council and the cost or fair value of the asset can be measured reliably.

Expenditure is capitalised where it meets Council's capitalisation thresholds. Expenditure below these thresholds is expensed as incurred.

Change in capitalisation threshold
Effective 1 April 2026, Council revised its capitalisation threshold for property, plant and equipment. The revised threshold applies to expenditure incurred on or after that date. Expenditure incurred prior to 1 April 2026 continues to be accounted for in accordance with the previous threshold.

Recognition thresholds to be applied on acquisition of an asset are as follows:

Asset Type	Threshold (excluding GST)
Cultural and heritage (library collection only)	$1,000,000
Land	$1
Network Assets or Grouped Assets (collective value)	$10,000
Property, Plant & Equipment (including right-of-use assets, intangible assets)	$10,000

The change has been applied prospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, as it relates to the recognition of new assets rather than reassessment of existing assets.

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in Council's financial statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of consideration plus costs incidental to the acquisition.

Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges, are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the amount of economic outflow or a change in the discount rate is reflected in the Statement of Financial Position for all open landfills. Increases in landfill provisions for closed landfills are recognised in the Statement of Comprehensive Income to the extent they exceed the revaluation surplus.

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Note 11. Property, plant and equipment (continued)

(c) Adjustment to opening balances

Adjustment to opening balances represent corrections identified during the current year relating to transactions and events that occurred prior to 1 July 2025. The adjustments primarily relate to depreciation expense that should have been recognised in prior reporting periods, donated asset revenue associated with contributed assets recognised before 1 July 2025, and the reclassification of completed projects from assets under construction to the relevant operational asset classes where the assets were completed and available for use prior to 1 July 2025. Management assessed these matters in accordance with AASB 108 and concluded that the cumulative impact was not material. Accordingly, the adjustments have been recognised in opening balances at 1 July 2025 rather than through the restatement of prior period balances. These adjustments ensure asset values, accumulated depreciation and contributed asset revenue are appropriately stated at the commencement of the reporting period.

(d) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation works associated with the construction of dams, levee banks and reservoirs are not depreciated. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. Where expenditure extends the life of an asset, the expenditure is capitalised and the asset's life is revised.

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. Factors used in estimating the useful lives of assets at each reporting date include the condition assessments performed as part of the annual valuation process for assets measured at current replacement cost (CRC), manufacturer specifications, maintenance history, analysis of an asset class, and any other relevant evidence.

(e) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount, an impairment is recognised in accordance with AASB 136.

During the year, indicators of impairment were identified for the Cleveland Bay Purification Plant Recycled Water Treatment Facility due to materially reduced service potential arising from water quality limitations and the absence of industrial demand. Accordingly, the recoverable amount was assessed and determined to be nil, resulting in an impairment adjustment being recognised against the asset revaluation surplus for the amount by which the asset’s carrying value exceeded its recoverable amount.

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Note 11. Property, plant and equipment (continued)

(f) Valuation

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers every 5 years to determine the fair value for each class of property, plant and equipment assets. Valuations are undertaken in accordance with AASB 116 Property, Plant and Equipment, Local Government Regulation 2012 and Council policy.

In the intervening years, Council will internally assess, through physical inspection, the condition of infrastructure assets on a sample basis and as part of the maintenance process. The inspection results are considered in combination with indices provided by independent valuers. Together these elements are used to form the basis of a management valuation for infrastructure asset classes at balance date.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was recorded in the Statement of Comprehensive Income. In that case the increase is recorded in the Statement of Comprehensive Income to the extent of the previous decrease. Revaluation decreases are recognised in the asset revaluation surplus, where there are sufficient amounts available in the asset revaluation surplus relating to that asset class. Where the surplus does not have sufficient amounts available, the decrease is recognised in the Statement of Comprehensive Income. Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the Statement of Comprehensive Income.

Fair values are classified into three levels as follows:

Level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value based on inputs that are directly or indirectly observable for the asset or liability.

Level 3: fair value based on unobservable inputs for the asset or liability.

There were no transfers between levels 1 and 2 during the year.

There were no transfers between level 2 to level 3 during the year.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels at the end of the reporting period.

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Note 11. Property, plant and equipment (continued)

(g) Valuation techniques used to derive level 2 and level 3 fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Current year fair value assessment
Buildings (level 2) 2026: $29,347,000 2025: $34,430,000	Market value	30/06/2024	Knight Frank (Adam Reguson CPV No. 2215)	Significant inputs include estimated net rental per square metre and associated capitalisation rate, valued at the highest and best use. Other inputs include sale prices of comparable properties adjusted for differences in key attributes such as property size.	Fair value changed as per index review performed by Management.
Buildings (level 3) 2026: $266,385,000 2025: $249,012,000	Current replacement cost	30/06/2024	APV Valuers & Asset Management (Daniel Atherton R.E. & Dev Registered Valuer No. 2962; RICS Registered Valuer NO:1169941)	These buildings are deemed of specialist nature with no active market or are situated on reserve land. The condition of these buildings considers both physical characteristics as well as holistic factors such as functionality, capability, utilisation, and obsolescence.	Fair value changed as per index review performed by Management.
Cultural and heritage (level 2)	Market value	30/06/2026	Rodney James Art (Rodney James BA (Hons.); MA Monash University	For artwork assets valued for financial reporting, key considerations include whether an asset is able to transact within an identified market, either the local or international art market, or whether it is more appropriately considered in terms of cost of replacement; and whether an individual collection object reaches its highest and best value when considered as part of a collection or as an individual object. Restrictions may limit the highest and best use that can be applied, particularly in the case of Australian legislation including sensitive Collection Assets.	Ceramic Artwork Collection (subclass of Cultural and heritage) – fair value changed as per Comprehensive Valuation performed by Valuer.
Dams and weirs, and fixed plant (level 3)	Current replacement cost	30/06/2024	Northern Water Management Pty Ltd (Jeff Ballard RPEQ No. 6854)	The valuation process incorporates the determination of unit rates by reference to data contained in Rawlinson's Construction Cost Guide (Rawlinson's), an assessment of Council's internal and external costings, manufacturer's specifications, and other relevant data.	Fair value changed as per index review performed by Management.

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Notes to the Financial Statements

for the year ended 30 June 2026

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Current year fair value assessment
Land (level 2)	Market value	30/06/2024	Knight Frank (Adam Reguson CPV No. 2215)	Sales prices of comparable land sites in proximity are adjusted for differences in key attributes, such as property size. The most significant inputs into this valuation approach are price per square metre. Land is valued for its highest and best use. Reserve land held by Council as trustee for the Queensland Government is not valued.	No change has been made to asset values.
Land improvements (level 3)	Current replacement cost	30/06/2026	AECOM (A. Bull, MAIQS)	First Principle estimating was utilised which is an accurate, high-order estimating method that applies detailed breakdowns of prices for the plant, labour, materials, and subcontract to develop direct costs and a calculation of expected indirect costs. Condition assessment is undertaken as part of the revaluation for the purpose of assessing remaining useful life for depreciation purposes. Condition assessment is performed in-house by suitably experienced and knowledgeable Council staff following corporate guidelines.	Fair value changed as per comprehensive valuation performed by valuer.
Pipe networks – water, wastewater, and stormwater (level 3)	Current replacement cost	30/06/2022	Water and wastewater network - Northern Water Management Pty Ltd (Jeff Ballard RPEQ No. 6854) Stormwater network - Lemmah Pty Ltd (Graham John Jordan RPEQ No. 3305).	Valuation is performed by application of standardised unit rates. Rates are determined by usage, material, depth, length and size. Secondary factors include ground conditions, construction cost indexes such as Rawlinson's, manufacturer specifications, local contractor cost data and current best practice. Limitations on access to individual pipes caused by location or methodology are not incorporated into standardised rates.	Fair value changed as per index review performed by Management.

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Notes to the Financial Statements

for the year ended 30 June 2026

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Current year fair value assessment
Transport network - sealed roads (level 3)	Current replacement cost	30/06/2023	Unit rates -Lemmah Pty Ltd (Graham John Jordan RPEQ No. 3305). Rates only. Condition Assessment – Pavement Management Service Pty Ltd	Valuation for roads is performed by application of standardised unit rates. All road sections are componentised into formation, pavement sub-base, pavement base, surface, kerbs, barriers, road furniture and pathways. It is assumed that design and construction is to the same standard and uses a consistent amount of labour and materials across each section. Environmental factors such as soil type, climate and topography are assumed to be consistent across each section. Condition assessment conforms to AustRoads technical network assessment papers 2011-2018.	No change has been made to asset values.
Transport network - excluding sealed roads and bridges (level 3)	Current replacement cost	30/06/2024	Lemmah Pty Ltd (Graham John Jordan RPEQ No. 3305)	Valuation for transport network assets is performed by the application of standardised unit rates and indexes. Transport network, other than sealed roads and bridges, includes asset group types such as footpaths, kerbs, parking meters, guardrails, road shoulder segments, boat ramps, bus stops, road furniture, medians, roundabouts, switchboards, street lighting and traffic signals. It is assumed that design and construction is the same standard and uses a consistent amount of labour and materials across each section. Environmental factors such as soil type, climate and topography are assumed to be consistent across each section. Condition assessment is undertaken as part of the revaluation for the purpose of assessing remaining useful life for depreciation purposes. Condition assessment is performed in-house by suitably experienced and knowledgeable Council staff following corporate guidelines.	No change has been made to asset values.
Transport network - bridges (level 3)	Current replacement cost	30/06/2023	Stantec (Stephen Walker RPEQ)	Valuation for bridges is performed by application of standardised unit rates, including Stantec unit rate database, Rawlinson's Australian Construction Handbook, supplier quotations, and published indices such as the road and bridge construction index and asset revaluation index for engineering construction.	No change has been made to asset values.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 12. Contract balances

Where amounts billed to a customer are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the grantor.

When a performance obligation is satisfied by transferring a promised good or service to the customer or the community before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

Where capital grant funding is received in advance to construct a Council controlled asset, the funds are recorded as a contract liability and revenue is recognised as Council constructs the asset (work in progress).

	2026 $ '000	2025 $ '000
(a) Contract assets		
Duplication of the Riverway Drive Trunk Watermain	9,779	12,374
Haughton Pipeline Duplication Project Stage 2	6,281	–
Disaster Recovery Funding Arrangement	2,227	–
Lansdown Eco-Industrial Precinct Upgrade	1,340	245
Roads to Recovery	918	–
North Queensland Resilience Program	300	–
Local Roads and Community Infrastructure	–	352
Other	120	68
Total contract assets	20,965	13,039
(b) Contract liabilities		
Residential Activation Funding Round 2 Project	51,634	–
Northern Beaches Trunk Road Infrastructure	23,392	23,637
Lansdown Eco-Industrial Precinct Upgrade	7,347	6,083
Works for Queensland	4,417	10,584
Blackspot Funding	1,021	884
Disaster Recovery Funding Arrangements	639	2,415
School Transport Infrastructure Program	292	–
Haughton Pipeline Duplication Project Stage 2	–	15,448
North Queensland Resilience Program	–	1,266
Other	194	892
Total contract liabilities	88,936	61,209

Notes to the Financial Statements
for the year ended 30 June 2026

Note 13. Leases

Council as a lessee

Where Council identifies a lease greater than 12 months and greater than $10,000 including buildings and plant and equipment, a right-of-use asset and lease liability is recognised on the inception of the lease. Council separates lease and non-lease components for classes of assets and has accounted for lease payments as either a reduction of lease liability or as maintenance costs.

For low value or short-term leases, Council recognises the payment associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined, Council's incremental borrowing rate for a similar term with similar security is used.

Terms and conditions of leases

Buildings
Several properties are leased including one property for community purposes (Townsville City), one library (Townsville City) and five operational facilities (Mount St John). The lease terms range between 5 and 15 years and are subject to annual increases of either CPI or a fixed rate.

	Buildings $ '000
Right of use assets	
2026	
Opening balance at 1 July	19,187
Additions to right-of-use assets	4,434
Depreciation charge	(2,656)
Balance at 30 June	20,965
2025	
Opening balance at 1 July	19,480
Additions to right-of-use assets	2,401
Depreciation charge	(2,694)
Balance at 30 June	19,187

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Note 13. Leases (continued)

Lease Liabilities
The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year $ '000	1 – 5 years $ '000	> 5 years $ '000	Total $ '000	Total per statement of financial position $ '000
2026					
Lease liabilities	3,213	13,480	13,010	29,703	23,231
2025					
Lease liabilities	2,981	11,961	12,177	27,119	21,161

Liabilities not recognised
For building leases, Council includes extension options which can be exercised at Council's discretion. At each reporting date Council assesses whether it is reasonably certain that the extension options will be exercised based on current operations and Council strategy. An extension option has been included in the lease liability for one property used for operational purposes.

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

	2026 $ '000	2025 $ '000
Depreciation of right of use assets	2,656	2,694
Interest on lease liabilities	777	820
Expenses relating to short-term leases	166	180
Expenses relating to low-value assets	52	39
Net expense relating to leases	3,651	3,733
Total cash outflows for leases	3,358	3,183

Leases at significantly below market value – concessionary / peppercorn leases
Council has a number of leases, pursuant to Deeds of Grant in Trust, at significantly below market value which are used for community and sporting purposes.

The leases are generally between 10 and 30 years and require payments of between $150 and $12,205 per annum. The use of the right-of-use asset is restricted by the lessors to specified community services which Council must provide.

Council does not consider any of the leases to be individually material.

Notes to the Financial Statements
for the year ended 30 June 2026

Note 14. Payables

	Notes	2026 $ '000	2025 $ '000

Payables are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30-day terms.

Current			
Trade payables		27,640	22,033
Accrued expenses		35,006	29,850
Prepaid rates		24,685	22,347
Sundry payables		5,857	5,332
Total current payables	23	93,188	79,562

Note 15. Borrowings

Borrowings are initially recognised at fair value. Subsequent to initial recognition these liabilities are measured at amortised cost.

Principal and interest repayments are made quarterly in arrears. Expected final repayment dates vary from 15 June 2027 to 15 June 2045. There have been no defaults or breaches of the loan agreement during the period.

Council's current policy is to only borrow for capital investment purposes and for a term no longer than the expected life of the asset.

Where borrowing costs can be attributed to a specific capital project, the costs are capitalised as part of the qualifying asset during construction. Otherwise, borrowing costs are expensed as finance costs when they are incurred.

Current			
Loans - Queensland Treasury Corporation		45,746	43,575
Non-current			
Loans - Queensland Treasury Corporation		341,727	385,462
Total borrowings	23	387,473	429,037

The loan market value at the reporting date was $371,295,832. This represents the value of the loans if Council repaid the loans as at reporting date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these financial statements.

No assets have been pledged as security by Council for any liabilities, however all loans are guaranteed by the Queensland Government.

The interest rates on borrowings range from 1.385% to 7.684% for book value rates.

Note 16. Provisions

Annual leave
Amounts expected to be settled within 12 months are calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on the same basis and are discounted to present value.

As Council does not have an unconditional right to defer this liability beyond 12 months, annual leave is classified as a current liability.

Long service leave
The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Estimates are then discounted to present value using interest rates attaching to Commonwealth Government guaranteed securities at the reporting date.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability. Otherwise it is classified as non-current.

Landfill restoration
A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The total projected cost of $24,904,512 is expected to be incurred between 2027 and 2067. This amount excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used, but which are in the current site plan.

Environmental offset area management
Council has an obligation under the Haughton Pipeline Stage 2 Offset Area Management Plan to undertake environmental management activities to address impacts on Matters of National Environmental Significance (MNES). These activities include fire management, weed control, revegetation and regeneration, pest management, endangered species monitoring, and other compliance-related actions.

At reporting date, no provision has been recognised in relation to this obligation, as the requirements of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* for recognition have not been met. Specifically, while an obligation exists, the amount of the future expenditure cannot be measured with sufficient reliability.

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Notes to the Financial Statements
for the year ended 30 June 2026

Note 16. Provisions (continued)

	2026 $ '000	2025 $ '000
Current		
Annual leave	18,553	18,349
Long service leave	16,094	15,728
Self insurance	1,149	856
Landfill restoration	92	248
Total current provisions	35,888	35,181
Non-current		
Long service leave	2,662	2,727
Self insurance	1,357	2,589
Landfill restoration	24,812	29,176
Total non-current provisions	28,831	34,492

Details of movements in provisions

Self insurance		
Balance at beginning of financial year	3,445	2,458
Additional provision	–	1,137
Amounts used	(939)	(150)
Balance at end of financial year	2,506	3,445
Landfill restoration		
Balance at beginning of financial year	29,424	33,684
Additional provision	(4,295)	(1,320)
Amounts used	(252)	(4,628)
Increase/(decrease) in provision due to unwinding of discount	1,222	1,361
Increase/(decrease) in provision due to change in discount rate	(1,195)	327
Balance at end of financial year	24,904	29,424

Note 17. Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

	Notes	2026 $ '000	2025 $ '000
Balance at end of the year	11	2,553,825	2,530,235

Note 18. Commitments for expenditure

Capital expenditure commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Road Upgrades	59,031	3,154
Lansdown Eco-Industrial Precinct Upgrade	43,262	16,904
Water Facility Improvements	11,884	5,207
Fleet Upgrades	9,084	5,392
Haughton Pipeline Duplication Stage 2	8,990	55,329
Disaster Recovery Projects	5,049	–
Resource Recovery and Waste Disposal	4,151	548
Wastewater Facility Improvements	3,517	3,598
Operational Buildings and Depots	1,002	469
Information technology upgrades	893	2,086
Open Space Upgrades	553	352
Ross River Dam to Douglas Water Treatment Plant Pipeline Duplication	–	1,218
Cleveland Bay Purification Plant Effluent Reuse Project	–	465
Other	1,197	702
Total commitments	148,613	95,424

Notes to the Financial Statements
for the year ended 30 June 2026

Note 19. Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2026 $'000	2025 $'000
Workers' compensation self-insurance guarantees	4,972	3,540
Haughton Pipeline Duplication project guarantees	7,974	7,974
Total contingent liabilities	12,946	11,514

WorkCover Queensland authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the estimated liability. An actuarial assessment of the Council workers' compensation claims liability performed on 27 August 2026 has estimated the required self-insurance guarantee be $3,056,000. Guarantees held at each balance date do not always equal the liability at these dates. This is due to delays in issuing the guarantees or Council opting to maintain the existing guarantee amount.

The actuarial assessment also recommends a self-insurance provision that has been recognised for risks relating to potential workers' compensation claims at balance date. Refer to Note 16.

Council holds two bank guarantees to provide security over costs associated with the Haughton Pipeline Duplication project.

Claims
Council is a member of the local government mutual self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

At the time of preparation of this report, the financial statements for 30 June 2026 of LGM Queensland were not available. As at 30 June 2025 the financial statements reported an accumulated surplus of $73,436,848 and it was not anticipated any liability would arise.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 20. Superannuation

Council contributes to the Brighter Super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each standard permanent employee who is a defined benefit member. This rate is set in accordance with the Brighter Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*. The scheme is managed by the Brighter Super trustee.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations but has not been recognised as an asset or liability of Council.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However, the risk of this occurring is extremely low and in accordance with the Brighter Super trust deed, changes to Council's obligations will only be made on the advice of an actuary.

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2024. The actuary indicated that "At the valuation date of 1 July 2024, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of any events since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is due on 1 July 2027.

The most significant risks that may result in Brighter Super increasing the contribution rate, on the advice of the actuary, are:

Investment risk - the risk that the scheme's investment returns will be lower than assumed and additional contributions will be needed to fund the shortfall.

Salary growth risk - the risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Notes	2026 $ '000	2025 $ '000
Superannuation contributions made to the Regional Defined Benefits Fund		331	358
Other superannuation contributions for employees		18,728	17,641
Total superannuation contributions paid by Council for employees	5	19,059	17,999

Notes to the Financial Statements
for the year ended 30 June 2026

Note 21. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	2026 $ '000	2025 $ '000
Net result	130,508	64,205
Non-cash, investing and financing items		
Depreciation and amortisation	158,421	153,670
Impairment loss on property, plant and equipment	8,763	–
Revaluation decrement of property, plant and equipment	2,510	–
Change in future rehabilitation and restoration costs	4,026	211
Net (profit)/loss on sale of assets	20,491	3,397
Grants and contributions received for constructing assets	(168,678)	(140,136)
Share of net (profits)/losses of equity accounted investments	824	(233)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(21,722)	(21,352)
(Increase)/decrease in inventories	(507)	(750)
(Increase)/decrease in contract assets	(7,926)	39,502
(Increase)/decrease in other assets	508	1,333
Increase/(decrease) in payables	3,833	4,373
Increase/(decrease) in contract liabilities	27,727	57,008
Increase/(decrease) in provisions	(5,158)	(2,598)
Increase/(decrease) in other liabilities	(1,671)	(7,329)
Net cash flows from operating activities	151,949	151,301

Note 22. Events after the reporting period

There were no material events after reporting date that affect the current or future financial results of Council.

Note 23. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets
Cash and cash equivalents
Receivables - measured at amortised cost

Financial liabilities
Payables - measured at amortised cost
Borrowings - measured at amortised cost

Financial assets and financial liabilities are presented separately, offsetting has not been applied.

(b) Financial risk management

Council's activities expose it to a variety of risks including credit risk, liquidity risk and market risk. Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council. These methods include sensitivity analysis in the case of market risk, ageing analysis for credit risk and short term investment strategies to ensure sufficient funds are available to meet short term liquidity requirements.

(c) Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure. Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar State/Commonwealth bodies or financial institutions in Australia, in line with the *Statutory Bodies Financial Arrangements Act 1982*.

Council has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables where an allowance for impairment has been specifically provided for.

(d) Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

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Note 23. Financial instruments and financial risk management (continued)

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Unrestricted access was available at balance date to undrawn facilities listed below:

	2026 $ '000	2025 $ '000
Bank overdraft facility	500	500
Purchase card facility	1,848	1,839
Working capital facility - Queensland Treasury Corporation	100,000	100,000
Balance at end of the year	102,348	102,339

The following table sets out the liquidity risk of financial liabilities (excluding lease liabilities - refer note 13) held by Council. The amounts disclosed in the maturity analysis represent the contractual undiscounted cashflows at balance date.

	0 to 1 year $ '000	1 to 5 years $ '000	Over 5 years $ '000	Total contractual cash flows $ '000	Carrying amount $ '000
2026					
Payables	93,188	–	–	93,188	93,188
Loans - QTC	59,735	209,752	218,896	488,383	387,473
	152,923	209,752	218,896	581,571	480,661
2025					
Payables	79,562	–	–	79,562	79,562
Loans - QTC	59,655	229,644	258,378	547,677	429,037
	139,217	229,644	258,378	627,239	508,599

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

(e) Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk
Exposure to interest rate risk arises on investments and borrowings with QTC and other financial institutions in which a future change in interest rates will affect future cash flows. In relation to QTC loans, Council holds fixed rate loan products. Consequently, Council's borrowings are not subject to interest rate risk and therefore no sensitivity analysis is required.

Council does not undertake any hedging of interest rate risk.

Sensitivity analysis of cash balances
Sensitivity analysis depicts what effect a reasonable possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values of cash balances at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period. If the rates increased by 1% the impact would be an increase in profit of $2,261,677 (2025: $1,876,202), an equal amount in the reverse direction is possible for a decrease in rates.

Notes to the Financial Statements

for the year ended 30 June 2026

Note 24. National Competition Policy

Council applies the competitive code of conduct to the following activities:
- water and sewerage
- waste management and recycling

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council and represents an activity cost(s) which would not be incurred if the primary objective of the activity was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSOs by the Council.

The following activity statements are for activities subject to the competitive code of conduct:

	Water and sewerage 2026 $ '000	Waste management and recycling 2026 $ '000
Revenue for services provided to the Council	34,066	11,597
Revenue for services provided to external clients	230,301	63,966
Community service obligations	3,864	3,570
Less: Expenditure	(188,157)	(60,932)
Surplus	80,074	18,201

Description of CSO's provided to business activities:

Activities	CSO description	Actual $'000
Townsville Water	Concessions on water and waste water utility charges	3,864
Resource Recovery	Concessions on landfill charges, community clean-up events and other waste and recycling services	3,570

Notes to the Financial Statements

for the year ended 30 June 2026

Note 25. Controlled entities that have not been consolidated

Council previously held one controlled entity that has not been consolidated on the basis that it is not material to council's operations.

A summary of the entity's net assets and results for the period held by Council is as follows:

Controlled entities - financial results:

Controlled Entity	Ownership Interest	Financial Year	Revenue $'000	Expenses $'000	Profit / (Loss) $'000	Assets $'000	Liabilities $'000
North Rail Yard Developments Pty Ltd	100%	2026 (01/07/25 to 12/03/26)	-	(1)	(1)	-	-
		2025 (01/07/24 to 30/06/25)	2,004	(2,305)	(301)	7	-
		2024 (23/07/23 to 30/06/24)	1	(242)	(241)	113	40

North Rail Yard Developments Pty Ltd was a wholly owned controlled entity of Townsville City Council. The principal activity of the company was property development associated with the North Rail Yards precinct. The company ceased operations during the 2026 financial year and was deregistered following the transfer of its remaining assets and liabilities to Council. During the period in which the company operated, no financial statements were prepared. As a result, the entity's financial information is disclosed above.

Council also has a 50 per cent ownership interest in NQ Spark Pty Ltd. As the entity's transactions and balances are not material to Council's financial statements, NQ Spark Pty Ltd has not been consolidated.

Notes to the Financial Statements
for the year ended 30 June 2026

Note 26. Transactions with related parties

	2026 $ '000	2025 $ '000
(a) Transactions with Townsville Breakwater Entertainment Centre Joint Venture		
Interests in the joint venture are disclosed in Note 1(b).		
Capital Renewal Project	488	-
Payment of working capital required under management agreement	294	277
Capital works funding contribution	106	118
Building and property insurance	80	83
Other expenditure	79	23
	1,047	501
(b) Transactions with NQ Spark Pty Ltd		
Interests in NQ Spark Pty Ltd is disclosed in Note 1(b).		
Other revenue received by Council (recovery of expenses)	(4)	(22)
Materials and other service providers paid by Council	13	67
	9	45
(c) Transactions with North Rail Yard Developments Pty Ltd		
Interests in North Rail Yard Developments Pty Ltd is disclosed in Note 1(b).		
Materials and other service providers paid by Council	174	69
Grant from Queensland Treasury paid to North Rail Yard Developments	-	2,000
Funding for operations	-	550
Return of funding for operations	(6)	(316)
Grant received from Queensland Treasury	-	(2,000)
	168	303

(d) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors and Council's senior management staff (Chief Executive Officer and directors). The compensation to the KMP for the financial year was as follows:

Short-term employee benefits	3,506	3,792
Post-employment benefits	335	356
Long-term benefits	27	26
Termination benefits	–	309
	3,868	4,483

(e) Transactions with other related parties

Other related parties include close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Close family members include a spouse, child or dependent of a KMP, child or dependent of a KMP's spouse and any other family member expected to be influenced by a KMP in their dealings with Council.

There were no material transactions between other related parties in the period. There were no KMP family members employed by Council during the financial year.

continued on next page ...

Note 26. Transactions with related parties (continued)

	2026 $ '000	2025 $ '000
(f) Outstanding balances		
Receivables from NQ Spark Pty Ltd	-	5
	-	5

(g) Transactions with related parties that have not been disclosed

There are entities and individuals identified as related parties of Council that also live and operate within the Townsville region. On a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of Council facilities such as swimming pools and libraries
- Dog registration

Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public.

Townsville City Council

General Purpose Financial Statements
for the year ended 30 June 2026

Management Certificate
for the year ended 30 June 2026

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulations) and other prescribed requirements.

In accordance with Section 212(5) of the Regulation, we certify that:

i. the prescribed requirements of the *Local Government Act 2009* and Local Government Regulations 2012 for the establishment and keeping of accounts have been complied with in all material respects; and

ii. the General Purpose Financial Statements, as set out on pages 2 to 39, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Mayor
Dated this 27th day of October 2026

Acting Chief Executive Officer
Dated this 27th day of October 2026

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Townsville City Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Townsville City Council (the council).

The financial report comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Acting Chief Executive Officer.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

c) In my opinion, the financial report:

i. gives a true and fair view of the council's financial position as at 30 June 2026, and of its financial performance for the year then ended

ii. complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the current-year financial sustainability statement, current year financial sustainability statement – contextual ratios (unaudited) and the unaudited long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the financial report

The council is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012, and other prescribed requirements and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. My auditor's report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
www.auasb.gov.au/auditors_responsibilities/ar4.pdf

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A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.



28 October 2026

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Townsville City Council

Current-year Financial Sustainability Statement

for the year ended 30 June 2026

	Target Tier 2	Actual 2026	5 Yr Av. 2022-26

Audited ratios

Council's performance at 30 June 2026 against key financial ratios and targets.
The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the six reported measures are prepared on an accrual basis and are drawn from Council's audited general purpose financial statements for the year ended 30 June 2026.

Liquidity

1. Unrestricted cash expense coverage ratio	>2 months	**6.6 months**	**N/A**

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.

Council’s unrestricted cash expense cover is above target.

Operating performance

2. Operating surplus ratio	>0%	**1.5%**	**(2.3)%**

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

Councils operating surplus ratio is above target.

3. Operating cash ratio	>0%	**30.6%**	**29.7%**

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Results are above target indicating Council is generating sufficient cash to fund operating activities.

Asset management

4. Asset sustainability ratio	>60%	**43.2%**	**67.6%**

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

Ratio reflects the deferral of renewal projects to the 2026/27 financial year.

5. Asset consumption ratio	>60%	**64.7%**	**65.0%**

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

Ratio indicated Council’s assets are being consumed in line with estimated useful lives.

Debt servicing capacity

6. Leverage ratio	0-4 times	**2.1 times**	**2.8 times**

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

Results have met the target.

Townsville City Council

Certificate of Accuracy (audited ratios)

for the year ended 30 June 2026

Certificate of Accuracy (audited ratios)

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.

Mayor
Dated this 27th day of October 2026

Acting Chief Executive Officer
Dated this 27th day of October 2026

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Townsville City Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Townsville City Council (the council).

The financial sustainability statement for the year ended 30 June 2026, comprises the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Acting Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement is accurately calculated in accordance with the Financial Management (Sustainability) Guideline 2024.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1, which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial sustainability statement and my auditor's report thereon.

At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the general purpose financial statements,

current-year financial sustainability statement – contextual ratios (unaudited), and the unaudited long-term financial sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general purpose financial report.

In connection with my audit of the financial sustainability statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial sustainability statement and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Financial Management (Sustainability) Guideline 2024 and the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.

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- evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

28 October 2026

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Townsville City Council

Current-year Financial Sustainability Statement

for the year ended 30 June 2026

	Target Tier 2	Actual 2026	5 Yr Av. 2022-26

Contextual ratios (unaudited)

Financial capacity

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2026.

1. Council controlled revenue	N/A	**89.9%**	**90.5%**

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

Results indicate consistent generation of operating revenue from rates, levies and charges.

2. Population growth	N/A	**1.6%**	**1.1%**

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

Results indicate increased migration to Townsville.

Asset management

3. Asset renewal funding ratio	N/A	**98.4%**	**N/A**

The asset renewal funding ratio measures the ability of a council to fund its projected infrastructure asset renewal/replacements in the future.

Ratio indicates Council is appropriately funding and delivering on the required capital program.

Townsville City Council

Certificate of Accuracy (contextual ratios - unaudited)

for the year ended 30 June 2026

Certificate of Accuracy (contextual ratios - unaudited)

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current year financial sustainability statement has been accurately calculated.

Mayor
Dated this 27th day of October 2026

Acting Chief Executive Officer
Dated this 27th day of October 2026

Townsville City Council

Unaudited Long Term Financial Sustainability Statement

prepared as at 30 June 2026

	Target 2026	Actual 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Measures of financial sustainability												
Council's performance at 30 June 2026 against key financial ratios and targets.												
Liquidity												
1. Unrestricted cash expense coverage ratio	> 2 months	**6.6 months**	Ratio N/A for long-term sustainability statement									
The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months council can continue operating based on current monthly expenses.												
Operating performance												
2. Operating surplus ratio	> 0%	**1.5%**	0.4%	2.9%	4.5%	7.2%	7.1%	4.8%	4.5%	4.8%	5.8%	5.6%
The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.												
3. Operating cash ratio	> 0%	**30.6%**	29.7%	31.5%	32.2%	34.6%	35.5%	35.0%	35.3%	35.8%	36.0%	35.2%
The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.												
Asset management												
4. Asset sustainability ratio	> 60%	**43.2%**	71.3%	64.8%	78.6%	76.9%	76.5%	65.0%	61.9%	77.1%	136.8%	74.0%
The asset sustainability ratio approximates the extent to which the infrastructure assets managed by council are being replaced as they reach the end of their useful lives.												

continued on next page ...

Townsville City Council

Unaudited Long Term Financial Sustainability Statement

prepared as at 30 June 2026

	Target 2026	Actual 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
5. Asset consumption ratio	> 60%	**64.7%**	73.9%	75.8%	76.9%	79.1%	81.3%	81.4%	78.9%	79.8%	81.3%	81.3%
The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.												
6. Asset renewal funding ratio	N/A	**98.4%**	Ratio N/A for long-term sustainability statement									
The asset renewal funding ratio measures council's ability to fund its projected infrastructure asset renewal/replacements in the future.												
Debt servicing capacity												
7. Leverage ratio	0 - 4 times	**2.1 times**	2.4 times	2.4 times	2.4 times	2.1 times	1.9 times	1.8 times	1.6 times	1.4 times	1.3 times	1.1 times
The leverage ratio is an indicator of council's ability to repay its existing debt. It measures the relative size of council's debt to its operating performance.												
Financial capacity												
8. Council controlled revenue	N/A	**89.9%**	93.7%	94.1%	93.6%	92.3%	92.2%	92.5%	92.7%	92.8%	93.1%	93.3%
Council controlled revenue is an indicator of council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.												
9. Population growth	N/A	**1.6%**	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Population growth is a key driver of council's operating income, service needs, and infrastructure requirements into the future.												

Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy - Long-term Financial Sustainability Statement

prepared as at 30 June 2026

Certificate of Accuracy - Long-term Financial Sustainability Statement

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor
Dated this 27th day of October 2026

Acting Chief Executive Officer
Dated this 27th day of October 2026



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