

TOWNSVILLE CITY COUNCIL



Statement of Estimated Financial Position

25/26



OUR VISION

A globally connected community driven by lifestyle and nature.

OUR PURPOSE

Grow Townsville



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Acknowledgement of Country

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

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

STATEMENT OF ESTIMATED FINANCIAL POSITION

Statement of Income and Expenditure

The report below outlines the estimated financial result for the period ended 30 June 2026. The forecast has been developed through consultation with relevant Council stakeholders to reflect the most informed expectation of Council's financial performance for 2025/26.

Material variances between the 2025/26 Mid-Year Budget Review and the estimated financial position are explained below. It is anticipated that the final 2025/26 results will be available in October 2026 on completion of the financial year and external audit.

	Mid-Year Budget Review	Estimated Financial Position	Variance
Revenue	2025/26 \$'000	2025/26 \$'000	2025/26 \$'000
General rates	233,260	233,922	662
Utility charges	267,320	267,604	284
<i>Water</i>	124,663	124,993	330
<i>Wastewater</i>	105,222	104,980	(242)
<i>Refuse and recycling</i>	37,435	37,631	196
Discounts and concessions	(16,544)	(17,019)	(475)
Net – Rates & Utility charges	484,036	484,507	471
Fees and charges	47,454	46,855	(599)
Interest received	8,511	10,105	1,594
Contributions from developers	450	450	-
Grants and subsidies	14,135	16,532	2,398
Other revenue	14,128	14,611	484
Grants - Natural disaster events	23,261	20,617	(2,644)
Total revenue	591,975	593,678	1,703
Expenses			
Employee costs	181,462	175,257	6,205
Materials and services	208,457	208,204	253
Depreciation and amortisation	161,050	158,066	2,984
Finance costs	18,873	18,361	512
Other expenses	856	1,102	(246)
Expenditure - Natural disaster events	31,970	29,370	2,600
Total expenses	602,667	590,360	12,308
Operating surplus/(deficit)	(10,692)	3,318	14,011

Operating Result

The forecast operating surplus is \$3.3 million. This is a favourable movement of \$14 million when compared to the Mid-Year Budget Review deficit of \$10.7 million.

Budget Variance Detail

Operating Revenue

Forecast operating revenue is \$593.7 million compared to a budget of \$592 million. Council's revenue is forecast to be \$1.7 million higher than budget. The key movements are set out below:

- General rates are forecast to be above budget \$0.7 million which is within 0.3% of budget expectations.
- Utility charges are forecast to be above budget \$0.3 million which is within 0.1% of budget expectations.
- Discounts and concessions are forecast to be above budget \$0.5 million driven by higher than budget uptake of concessions.
- Fees and charges revenue is forecast to be below budget by \$0.6 million largely across e-Scooter operator licencing revenue, rates searches, venue hire and event ticketing fees. Partially offset by higher planning and building fees, income from parking operations and cemeteries services.
- Interest revenue is forecast to be above budget by \$1.6 million driven by higher cash holdings.
- Grants and subsidies are forecast to be above budget by \$2.4 million predominantly due to a higher-than-anticipated early payment towards the 2026/27 Financial Assistance Grant allocation.
- Other revenue is forecast to be above budget \$0.5 million. The variance is largely attributed to increased revenue across a range of accounts including legal recoveries, insurance recoveries and sale of scrap.
- Natural disaster grant funding is forecast to be \$2.6 million below budget primarily resulting from the timing of submission approvals by Queensland Reconstruction Authority.

Operating Expenses

Forecast operating expenditure is \$590.4 million compared to a budget of \$602.7 million. Council's operating costs are forecast to be \$12.3 million lower than budget. The major drivers of this forecast variance are as follows:

- Employee costs are forecast to be below budget by \$6.2 million, primarily resulting from staff vacancies.
- Materials and services are forecast to be below budget by \$0.3 million due to:
 - Favourable variance of \$3.5 million related to delays in delivery of transformational projects and initiatives including Connect, Council's enterprise system upgrade, which will continue in 2026/27;
 - Favourable variance of \$2.1 million for savings identified via reprioritisation of project delivery across digital programs and projects combined with rationalisation of software licenses;
 - Favourable variance of \$1 million for non-commencement of numerous strategic initiatives and economic activation projects;
 - Favourable variance of \$2.3 million primarily due to reduced waste levy payments (from lower waste volumes received), delays in park maintenance contract handovers due to development timing, and lower than anticipated water treatment costs;
 - Favourable variance of \$1.7 million relates to several small variances across Council's services;

Offset by:

- Unfavourable variance of \$10.3 million for the reclassification of project expenditure from capital to operational works
- Depreciation is forecast to be below budget by \$3 million following a revision of asset useful lives.
- Finance costs are forecast to be below budget by \$0.5 million largely attributable to favourable interest rates on borrowings.
- Other expenses are forecast to be above budget by \$0.2 million, largely attributable to the write-off of penalty infringement notices as bad debts.
- Expenditure – Natural Disaster event is forecast to be \$2.6 million below budget related to works that will be delivered in 2026/27.

Capital Result

Capital Revenue

Forecast capital revenue is \$106.0 million compared to a budget of \$138.1 million. The forecast unfavourable variance of \$32.1 million is largely attributed to:

- \$8.5 million for funding for Works for Queensland with revenue recognised in line with project expenditure. Project construction timeframes have been deferred to next financial year;
- \$7.2 million for Residential Activation Funding with revenue recognised in line with project expenditure. Project construction timeframes have been delayed;
- \$5.5 million for Disaster Recovery funding primarily relating to the Gustav Creek Drainage Structure Replacement project and emergency generators. Projects to be completed in 2026/27;
- \$4.5 million for Haughton Pipeline with revenue recognised in line with project expenditure. Project expenditure has been delayed due to wet weather;
- \$4 million for Lansdown Eco-Industrial Precinct with revenue recognised in line with project expenditure. Project expenditure has been delayed due to an amended construction program;
- \$2.4 million remaining balance primarily represents the timing of donated assets and developer contributions which are dependent on the timing of developer activity; and for the disposal of assets at a loss.

Capital Expenditure

Forecast capital expenditure is \$210.9 million compared to a budget of \$286.6 million. The forecast favourable variance of \$75.7 million is detailed below.

Rounding

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

CAPITAL EXPENDITURE COMMENTARY

Asset Type	Total Approved Projects	Mid-Year Budget Review	Estimated Financial Position	Variance	Variance Commentary
		2025/26 \$000	2025/26 \$000	\$000	
Roads and Transport Management	154	55,393	29,234	26,159	Favourable variance primarily attributed to delayed delivery timeframes for projects including the North Shore Boulevard Extension and Svensson Road project, Gouldian Avenue, construction of Gulliver/Hugh Street active transport facilities, Nelly Bay boardwalk renewal and reconstruction of Murray Street.
Water Services	67	81,109	62,478	18,631	Favourable variance primarily attributed to: - Delays caused by wet weather for Haughton Pipeline. Project deferred to 2026/27. - Rescheduling of delivery timeframes for the Douglas WTP module 3 and 4, Douglas reservoir 2/3 inlet pipework and supply and installation of emergency generators and Douglas water treatment plant projects. - Partially offset by higher Trility renewal requirements resulting from increased capacity tolls at the Northern Water Treatment Plant.
Wastewater Services	46	19,616	14,804	4,812	Favourable variance primarily attributed to rescheduling of works for pump station projects.
Resource Recovery	6	6,100	891	5,209	Favourable variance primarily attributed to timing delays for the Stuart Landfill Sediment Pond 3 and construction of Cells 4 and 5. Projects have been deferred to 26/27.
Fleet Management	2	13,064	11,891	1,173	Favourable variance attributed to timing for receipt of fleet assets between financial years.
Drain and Stormwater Management	27	19,119	15,618	3,501	Favourable variance primarily due to the reclassification of prior year costs associated with the Crystal Creek Intake Landslip project, in addition to amended delivery timeframes for the Gustav Creek Drainage Structure Replacement.
Buildings and Facilities Management	131	5,990	6,282	(292)	No significant variances to report.
Information Communication Technology	13	3,786	3,644	142	No significant variances to report.
Parks and Open Space Management	31	4,826	3,648	1,178	Favourable variance primarily relates to the deferral of the softfall Compliance Program and Ross River Dam Boat Ramp Design into 2026/27.
Environmental and Sustainability Services	2	985	993	(8)	No significant variances to report.
Cultural and Community Services	6	536	519	17	No significant variances to report.
Lansdown Eco-Industrial Precinct	15	47,977	33,130	14,847	Favourable variance is primarily driven by an amended construction program.
Donated Assets		28,122	27,760	362	No significant variances to report.
Total Variance		286,621	210,892	75,729	

Statement of Estimated Financial Position

	Estimated Financial Position 2025/26 \$'000
Current assets	
Cash and cash equivalents	158,312
Receivables	66,337
Contract assets	13,757
Inventories	3,712
Other assets	7,593
Total current assets	249,711
Non-current assets	
Property, plant and equipment	7,470,651
Right-of-use assets	17,368
Intangible assets	1,413
Other assets	11,215
Total non-current assets	7,500,647
Total assets	7,750,358
Current liabilities	
Payables	70,824
Contract liabilities	44,520
Borrowings	49,229
Lease liabilities	2,275
Provisions	33,851
Other current liabilities	4,524
Total current liabilities	205,223
Non-current liabilities	
Borrowings	337,587
Lease liabilities	19,105
Provisions	34,574
Other non-current liabilities	4,154
Total non-current liabilities	395,420
Total liabilities	600,643
Net community assets	7,149,715
Community equity	
Asset revaluation reserve	2,715,427
Retained surplus	4,434,288
Total community equity	7,149,715



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