

3.10. STATEMENT OF ESTIMATED FINANCIAL POSITION 2025-2026

REPORT AUTHOR	Interim Chief Financial Officer
MANAGER	General Manager Corporate and Communities
DEPARTMENT	Corporate and Communities
DATE	16 June 2026

RECOMMENDATION

That Council receives and notes the Statement of Estimated Financial Position of the Council in respect of Financial Year 2025/2026, pursuant to Section 205 of the *Local Government Regulation 2012*.

EXECUTIVE SUMMARY

The Estimated Statement of Comprehensive Income for 2025/26 shows a **\$2.6m** operating surplus, primarily due to an accounting timing variance related to the Federal Budget announcement that there will be an 80 per cent prepayment of the Financial Assistance Grant, rather than a budgeted 50 per cent prepayment.

A review of the capital works program has identified **\$15.5m** of capital works (mostly grant funded recovery and resilience projects), that will instead be delivered in the first half of 2026/27 due to an extended wet season in 2025/26.

Net community assets are expected to increase by **\$113m**, mainly due to the 2025/26 capital works program.

PREVIOUS COUNCIL CONSIDERATIONS / RESOLUTIONS

At the Ordinary Meeting dated 31 March 2026, it was resolved that Revised Budget 2 was adopted by Council, approving a **\$420,000** deficit for 2025/26 and a **\$118m** capital works program, funded by **\$98m** of Capital Grants and Subsidies.

REPORT/BACKGROUND

Section 205 of the *Local Government Regulation 2012* requires the Chief Executive Officer (CEO) (or delegate) to present a Statement of Estimated Financial Position at the annual budget meeting.

Estimates included in this report are based on the best available information and analysis made at the time of preparing this report. Please note the final 2025/26 result is subject to the finalisation of end of year processes.

Operating Result

The Estimated Statement of Comprehensive Income for 2025/26 shows a **\$2.6m** operating surplus.

This is a **\$3.1m** movement from the **\$420,000** deficit approved at Revised Budget 2 and can be explained by the following three (3) revenue items.

1. **\$2.3m** in Grants and Subsidies mainly due to the Federal Budget announcement that there will be an 80 per cent prepayment of the Financial Assistance Grant, rather than a budgeted 50 per cent prepayment. This is a timing variance.
2. **\$0.5m** in Interest received due to higher-than-expected interest rates and cash balances.
3. **\$0.3m** in Other Recurrent Income due to higher-than-expected revenue from recycling and works completed for other government agencies.

Capital Works

Reviews of the Capital program have identified **\$15.5m** of capital projects that will be carried over into 2026/27 (**\$11m** related to grant funded recovery and resilience projects, **\$4.5m** related to core Council projects), with an associated **\$13m** of Capital Grants.

This is a timing variance between financial years due to an extended wet season, with projects expected to be delivered in the first half of 2026/27. This has been reflected in the proposed 2026/27 budget.

Statement of Financial Position

When compared to 2024/25, Net community assets are expected to increase by **\$113m** from **\$595m** to **\$708m**, mainly due to an expected **\$102m** expended in capital works reflected in non-current assets - property, plant, and equipment, and revaluations of existing assets.

Cash and cash equivalents are expected to decrease by \$18m due to the utilisation of grant funding associated with disaster related capital works in 2025/26.

FINANCIAL AND RESOURCE IMPLICATIONS

Financial implications have been detailed in the report section 'Report/Background' above.

RISK MANAGEMENT IMPLICATIONS

Estimates included in this report are based on the best available information and analysis made at the time of preparing this report. Final 2025/26 result is subject to year-end accounting adjustments and/or recommendations made by the Queensland Audit Office after finalising their examination of Council's financial statements expected to be completed in mid-to-late September.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

SOCIAL IMPLICATIONS

There are no social implications associated with this report.

CORPORATE AND OPERATIONAL PLAN

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 3 - Service Delivery

We deliver Council services effectively and efficiently to meet community expectations, focusing on the wellbeing of both the community and our employees.

3.1 - Deliver the Corporate Plan, Operational Plan and Budget.

Operational Plan 2025-2026 Actions:

Legislative requirement.

LEGISLATION AND POLICY

- *Local Government Act 2009*
- *Local Government Regulation 2012*

CONSULTATION

Internal consultation:

- Executive Leadership team
- Financial Services team

CONCLUSION

That Council receives and notes the Statement of Estimated Financial Position of the Council in respect of 2025/26, pursuant to Section 205 of *the Local Government Regulation 2012*.

ATTACHMENTS

1. 2025-26 Statement of Estimated Financial Position [**3.10.1** - 2 pages]

Douglas Shire Council			
Statement of Comprehensive Income			
Estimated End Of Financial Year 2026			
	Forecast	Budget	Variance
	\$	\$	\$
Operating Revenue			
Rates and utility charges	48,483,333	48,362,316	121,017
less: Financial Assistance, Remissions (incl. Pensioners)	(728,613)	(722,712)	(5,901)
Net rates and utility charges	47,754,720	47,639,604	115,116
Fees and charges	8,452,529	8,401,917	50,612
Grants and subsidies	14,003,596	11,697,807	2,305,789
Interest received	3,212,897	2,731,439	481,458
Other recurrent income	1,666,343	1,409,018	257,325
Total Operating Revenue	75,090,085	71,879,785	3,210,300
Operating Expenses			
Employee benefits	21,702,867	21,841,795	138,928
Materials and services	32,599,225	32,308,208	(291,017)
Depreciation	18,037,401	18,037,402	1
Finance costs	118,918	112,555	(6,363)
Total Recurrent Expenses	72,458,411	72,299,960	(158,451)
Operating Result	2,631,673	(420,175)	3,051,848
Capital Revenue			
Capital grants and subsidies	85,266,348	98,243,939	(12,977,591)
Contributions from developers	1,127,924	250,000	877,924
Gain/(Loss) non current assets & Insurance Proceeds	(318,763)	-	(318,763)
Total capital revenue	86,075,509	98,493,939	(12,418,430)
Net Result	88,707,182	98,073,764	(9,366,582)
Capital Works Program			
Capital additions	102,777,775	118,318,370	15,540,595
Total capital additions	102,777,775	118,318,370	15,540,595

Douglas Shire Council		
	Forecast	2025
Statement of Financial Position		
Estimated End Of Financial Year 2026		
	\$	\$
Current assets		
Cash and cash equivalents	45,027,606	63,701,155
Investments	-	-
Trade and other receivables, Contract Assets, Prepayments	7,954,772	15,770,226
Inventories	92,538	139,492
Total current assets	53,074,916	79,610,873
Non-Current assets		
Property, plant and equipment	687,640,794	572,595,985
Right of use assets	222,540	222,540
Intangible assets	32,876	32,876
Total non-current assets	687,896,210	572,851,402
Total assets	740,971,126	652,462,274
Current liabilities		
Trade and other payables, Contract Liabilities	22,191,057	47,303,632
Lease Liabilities	163,037	163,037
Provisions	5,797,530	5,224,303
Total current liabilities	28,151,624	52,690,972
Non-current liabilities		
Borrowings	-	-
Provisions	4,163,170	4,163,171
Unearned Revenue	195,897	195,896
Total non-current liabilities	4,359,067	4,359,067
Total liabilities	32,510,691	57,050,039
Net community assets	708,460,435	595,412,235
<p>** Statement of Financial Position is a representation of Council's financial position at a point in time. No adjustments or considerations have been assessed or made for outstanding revenues or expenses or ongoing Contract assets or liabilities which arise from the receipt of Grant funding. Assessments of Leave provisions, Landfill provisions are undertaken annually.</p>		