



Central Coast Council  
Business Paper  
Ordinary Council Meeting  
**29 October 2024**





## COMMUNITY STRATEGIC PLAN 2018-2028

**ONE – CENTRAL COAST IS THE COMMUNITY STRATEGIC PLAN (CSP) FOR THE CENTRAL COAST LOCAL GOVERNMENT AREA**

**ONE – CENTRAL COAST DEFINES THE COMMUNITY'S VISION AND IS OUR ROADMAP FOR THE FUTURE**

**ONE – CENTRAL COAST BRINGS TOGETHER EXTENSIVE COMMUNITY FEEDBACK TO SET KEY DIRECTIONS AND PRIORITIES**

One - Central Coast will shape and inform Council's business activities, future plans, services and expenditure. Where actions are the responsibility of other organisations, sectors and groups to deliver, Council will work with key partners to advocate on behalf of our community.

Ultimately, every one of us who live on the Central Coast has an opportunity and responsibility to create a sustainable future from which we can all benefit. Working together we can make a difference.

## RESPONSIBLE

**WE'RE A RESPONSIBLE COUNCIL AND COMMUNITY, COMMITTED TO BUILDING STRONG RELATIONSHIPS AND DELIVERING A GREAT CUSTOMER EXPERIENCE IN ALL OUR INTERACTIONS.**

We value transparent and meaningful communication and use community feedback to drive strategic decision making and expenditure, particularly around the delivery of essential infrastructure projects that increase the safety, liveability and sustainability of our region. We're taking a strategic approach to ensure our planning and development processes are sustainable and accessible and are designed to preserve the unique character of the coast.



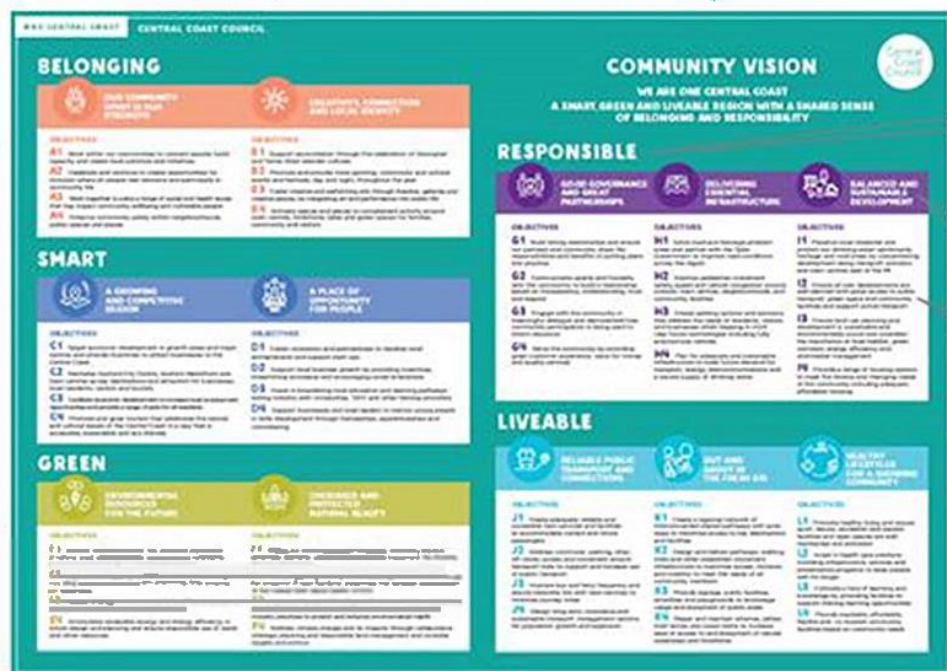
**Good governance and great partnerships**

**G2** Engage and communicate openly and honestly with the community to build a relationship based on trust, transparency, respect and use community participation and feedback to inform decision making

**There are 5 themes, 12 focus areas and 48 objectives**

### COMMUNITY STRATEGIC PLAN 2018-2028 FRAMEWORK

All council reports contained within the Business Paper are now aligned to the Community Strategic Plan. Each report will contain a cross reference to a Theme, Focus Area and Objective within the framework of the Plan.



Theme

Focus Area

Objective

# **Meeting Notice**

**The Ordinary Council Meeting  
of Central Coast Council  
will be held in the Central Coast Council Chambers,  
2 Hely Street, Wyong  
on Tuesday 29 October 2024 at 6.30pm,  
for the transaction of the business listed below:**

**The Public Forum will commence at 6.00pm, subject to any  
registered speaker/s to items listed on this agenda.**

Further information and details on registration process:

[www.centralcoast.nsw.gov.au/council/meetings-and-minutes/council-meetings](http://www.centralcoast.nsw.gov.au/council/meetings-and-minutes/council-meetings)

## **Oath or Affirmation of Office**

Councillors are reminded of their Oath or Affirmation of Office to undertake their duties in the best interests of the people of the Central Coast and Council and to faithfully and impartially carry out the functions, powers, authorities, and discretions vested in them under the *Local Government Act 1993*, or any other Act to the best of their ability and judgement. Councillors are also reminded of their obligations under the Code of Conduct to disclose and appropriately manage conflicts of interest.

## **Disclosures of Interest**

Councillors are reminded of their obligation under Council's Code of Conduct to declare any conflict of interest in a matter considered by Council.

## **Recording**

In accordance with the *NSW Privacy and Personal Information Protection Act 1998*, you are advised that all discussion held during the Open Council meeting is recorded for the purpose of livestreaming the public meeting and verifying the minutes. This will include any public discussion involving a councillor, staff member or a member of the public.

## **2     REPORTS**

- 2.1     Presentation of 2023-24 Financial Statements and related Auditor's Reports for  
         Central Coast Council and Central Coast Council Water Supply Authority ..... 5

David Farmer  
**Chief Executive Officer**



**Item No:** 2.1  
**Title:** Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority  
**Department:** Corporate Services

---



29 October 2024 Ordinary Council Meeting

Reference: F2023/00021 - D16441414  
Author: Michelle Best, Section Manager Financial Accounting and Assets  
Manager: Emma Galea, Chief Financial Officer  
Executive: Marissa Racomelara, Director Corporate Services

## Recommendation

### *That Council:*

- 1** *Notes the 2023-24 Central Coast Council audited Financial Statements including the auditor's reports as presented to Council, in accordance with s.419(1) of the Local Government Act 1993 (LG Act).*
- 2** *Adopts the 2023-24 Central Coast Council audited Financial Statements as presented in accordance with ss.413(2)(c) and 377(1)(k) of the LG Act, and cl.215(1)(a) of the Local Government (General) Regulation 2021.*
- 3** *Adopts the 2023-24 Central Coast Council Water Supply Authority audited Financial Statements as presented in accordance with s.45 of the Water Management Act, Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board.*

## Report purpose

To present the final 2023-24 audited Financial Statements for Central Coast Council and Central Coast Council Water Supply Authority.

This report summarises the amendments made to the Financial Statements after the 2023-24 Draft Financial Statements were presented to Council on 27 August 2024.

## Executive Summary

The 2023-24 Draft Financial Statements were presented to Council on 27 August 2024, and were referred to audit in accordance with Council's resolution. The NSW Audit Office have now finalised their audit and provided audit clearance on Friday 18 October 2024, resulting in an unmodified opinion being issued.

## **2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)**

---

### **Background**

The 2023-24 Draft Financial Statements for Central Coast Council and Central Coast Council Water Supply Authority were presented to Council at its meeting held on 27 August 2024 and Council resolved, in part, as follows:

*310/24 Resolves for the purposes of s. 413(1) of the LG Act, to refer the 2023-24 Draft Financial Statements for Central Coast Council and the 2023-24 Draft Financial Statements for Central Coast Council Water Supply Authority for the year ended 30 June 2024 to the Audit Office of New South Wales, for external audit.*

*312/24 Delegates to the Chief Executive Officer to set the date for the meeting to present the audited 2023-2024 financial reports, together with the auditor's reports, to the public in accordance with s418(1)(a), (b) of the LG Act.*

### **Report**

#### Central Coast Council

The 2023-24 Central Coast Council Financial Statements include the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules, which include all of Council's activities. The 2023-24 Central Coast Council Financial Statements are included as (Attachment 1) to this report.

The Central Coast Council Financial Statements have been prepared in accordance with the requirements of the *Local Government Act 1993* (LG Act), the Local Government (General) Regulation 2021 (LG Reg), and the relevant accounting and reporting requirements of the Office of Local Government prescribed Code of Accounting Practice and Financial Reporting 2023-24 and Australian Accounting Standards.

In accordance with s. 413(1) of the LG Act, Council must prepare financial statements for each year, and must refer them for audit as soon as practicable after the end of that year.

The Audit, Risk and Improvement Committee met on 22 August 2024 and reviewed the draft 2023-24 Central Coast Council Financial Statements. The Committee recommended that Council refer the 2023-24 Draft Central Coast Council Financial Statements to audit.

Pursuant to resolution 310/24 of 27 August 2024, the 2023-24 Draft Financial Statements were referred to Council's external auditor, The Audit Office of New South Wales.

The audit reports from The Audit Office of New South Wales, pursuant to s. 419(1) of the LG Act, will be presented to this meeting of Council.

## **2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)**

---

It is proposed that Council now formally adopt the 2023-24 Central Coast Council Financial Statements. The Financial Statements must be lodged with the Office of Local Government no later than 31 October 2024. Adherence to this deadline is imperative to ensure legislative compliance as well as to maintain Council's reputation within the community.

The audited Financial Statements will also subsequently be included in Council's Annual Report for 2023-24.

### Central Coast Council Water Supply Authority

The 2023-24 Central Coast Council Water Supply Authority Financial Statements have been prepared in accordance with the Water Management Act and Australian Accounting Standards. The 2023-24 Central Coast Council Water Supply Authority Financial Statements are included as (Attachment 2) to this report.

The Audit, Risk and Improvement Committee met on 22 August 2024 and reviewed the 2023-24 Central Coast Council Water Supply Authority Financial Statements. The Committee recommended that Council refer the 2023-24 Draft Central Coast Council Water Supply Authority Financial Statements to audit.

Pursuant to resolution 310/24 of 27 August 2024, the 2023-24 Draft Financial Statements of Central Coast Council Water Supply Authority were referred to Council's external auditor, The Audit Office of New South Wales.

It is proposed that Council now formally adopt the 2023-24 Central Coast Council Water Supply Authority Financial Statements.

## 2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)

### Amendments to the draft 2023-24 Financial Reports referred to audit

During the conduct of the audit of the 2023-24 Draft Financial Statements, a number of audit adjustments have arisen and have been made to the final Financial Statements. The changes have not impacted the Operating Result or the overall Balance Sheet as referred to audit.

The tabled amendments impact some Notes to the Financial Reports in the General Purpose Financial Statements, Water Supply Authority Financial Statements and Special Purpose Financial Statements.

Changes are mainly disclosure, classification or presentation matters. In addition to rounding changes, other changes include correction of minor typographical errors, and updates to wording to improve clarity of the Notes.

The key disclosure changes that have been made include the following items which are reflected in the audited Financial Statements attached to this report:

- Updated the split between current and non-current Contract Liabilities
- Updated Statement of Financial Position, Statement of Cash Flows and related notes to reflect advance receipt of 2024-25 Financial Assistance Grant as cash received rather than receivables
- Updated Water Supply Authority Income Statement to include internal revenue in annual charges instead of netting off against internal expenses
- Amended the restricted cash note to increase the restriction for Domestic Waste Management and equally reduce unrestricted cash

A summary of audit adjustments to amounts in the primary Financial Statements within the Central Coast Council Financial Statements referred to audit is provided below:

	As reported on 27 August 2024 \$'000	As per the Audited Financial Statements \$'000	Movement Increase/(Decrease ) \$'000
<b>Income Statement</b>			
Income from operations	716,456	716,456	0
Expenditure from operations	677,856	677,856	0
<b>Net Operating Result for the year</b>	<b>38,600</b>	<b>38,600</b>	<b>0</b>
Income from Capital Grants and Contributions	107,166	107,166	0

## 2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)

	As reported on 27 August 2024 \$'000	As per the Audited Financial Statements \$'000	Movement Increase/(Decrease ) \$'000
<b>Statement of Financial Position</b>			
Current Assets	496,370	496,370	0
Non-Current Assets	9,363,866	9,363,866	0
<b>Total Assets</b>	<b>9,860,236</b>	<b>9,860,236</b>	<b>0</b>
Current Liabilities	224,874	220,368	(4,506)
Non-Current Liabilities	268,589	273,095	4,506
<b>Total Liabilities</b>	<b>493,463</b>	<b>493,463</b>	<b>0</b>
<b>Net Assets</b>	<b>9,366,773</b>	<b>9,366,773</b>	<b>0</b>
<b>Equity</b>	<b>9,366,773</b>	<b>9,366,773</b>	<b>0</b>

### Comparison of 2023–24 financial results to prior financial year

The comparison of the financial performance for Council in the 2023-24 Financial Statements (1 July 2023 to 30 June 2024) is to the 2022-23 financial year (1 July 2022 to 30 June 2023).

### Central Coast Council Financial Statements

#### Operating Result

The operating surplus before capital grants and contributions for the 2023-24 financial year is \$38.6M. This result is an improvement on the prior year result which was a surplus of \$34.8M. The operating result including capital grants and contributions is a surplus of \$145.8M. This is \$16.8M less than the result in the prior year, however, still represents a good result.

## 2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)

The below table compares the operating result for the 2023-24 financial to the 2022-2023 financial year.

	2023-24 Actual \$'000	2022-23 Actual \$'000
Income from operations	716,456	665,617
Expenditure from operations	677,856	630,816
<b>Operating result for continuing operations (excluding capital grants and contributions)</b>	<b>38,600</b>	<b>34,801</b>
Income from capital grants and contributions	107,166	127,726
<b>Net operating result (including capital grants and contributions)</b>	<b>145,766</b>	<b>162,527</b>

### Statement of Financial Position

The Statement of Financial Position details the value of what Council owns ("assets") and what Council owes ("liabilities"). Within these headings, "Current" means an amount that is due to be realised within the next 12 months whilst "Non-current" indicates an asset or liability that is longer term in nature.

For the movement between financial years, a positive movement means that the values have increased from 30 June 2023 to 30 June 2024.

Statement of Financial Position	30 June 2024 \$'000	30 June 2023 \$'000	Movement \$'000
<b>Assets</b>			
Current Assets	496,370	446,102	50,268
Non-Current Assets	9,363,866	9,020,130	343,736
<b>Total Assets</b>	<b>9,860,236</b>	<b>9,466,232</b>	<b>394,004</b>
<b>Liabilities</b>			
Current Liabilities	220,368	290,669	(70,301)
Non-Current Liabilities	273,095	279,758	(6,663)
<b>Total Liabilities</b>	<b>493,463</b>	<b>570,427</b>	<b>(76,964)</b>
<b>Net Equity</b>	<b>9,366,773</b>	<b>8,895,805</b>	<b>470,968</b>



## 2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)

### *Current assets*

Current assets increased by \$50.3M mainly due to an \$8.4M increase in current investments, and an increase of \$43.4M in cash and cash equivalents.

### *Non-current assets*

Non-current assets increased by \$343.7M mainly attributable to an increase in Infrastructure, Plant, Property and Equipment of \$360.7M. This has been offset by a decrease of \$12.7M in non-current investments.

### *Current Liabilities*

Current liabilities decreased by \$70.3M mainly attributable to an \$84.0M decrease in current borrowings (mostly attributable to the early repayment of a significant loan in December 2023, that was shown as a current liability in the prior financial year) offset by a \$9.5M increase in payables.

### *Non-Current Liabilities*

Non-current liabilities decreased by \$6.7M mainly due to reduction in non-current borrowings of \$10.2M, offset by an increase in non-current contract liabilities of \$2.2M.

### Financial Performance Benchmarks

Note G6 - Statement of Performance Measures, within the General Purpose Financial Statements includes various indicators mandated by the Office of Local Government (OLG) and the applicable benchmark for all councils to assess their performance against.

Local Government Industry Indicators	2024	2023	OLG Benchmark	2024 Result
Operating Performance Ratio	6.04%	6.15%	> 0.00%	✓
Own Source Operating Revenue Ratio	80.44%	76.62%	> 60.00%	✓
Unrestricted Current Ratio	6.54x	2.64x	> 1.50x	✓
Debt Service Cover Ratio	2.15x	5.64x	> 2.00x	✓
Rates, Annual Charges, Interest Outstanding Percentage	7.07%	6.6%	< 5.00%	✗
Cash Expense Cover Ratio	6.39 months	8.34 months	> 3 months	✓

*Operating Performance Ratio* - measures how well Council contained operating expenditure within operating revenue. Council has achieved this benchmark in 2023-24, maintaining a small operating surplus as per the previous year. This is due to the 2022-23 ratio including the current portion of the emergency loan that was subsequently paid in the 2023-24 financial year.

## **2.1                    Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)**

---

*Own Source Operating Revenue Ratio* - measures Council's fiscal flexibility and the degree of reliance on external funding sources such as operating grants and contributions. Council's performance is significantly above the benchmark in 2023-24, indicating that Council is not heavily reliant on grant funding.

*Unrestricted Current Ratio* – measures the adequacy of working capital and Council's ability to satisfy obligations in the short term for the unrestricted activities of Council. Council has achieved this benchmark in 2023-24. The ratio has significantly improved in 2023-24 compared to the previous year. This is due to the 2022-23 ratio including the current portion of the emergency loan which was subsequently paid in the 2023-24 financial year.

*Debt Service Cover Ratio* - measures the availability of operating cash to service debt including interest, principal, and lease payments. Council has achieved this ratio in 2023-24 on a consolidated basis, noting that for the General Fund the benchmark was not met due to the one-off payment of one of the emergency loans. Accordingly, this ratio is expected to meet benchmark going forward.

*Rate and annual charges outstanding ratio* - assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. Council has not achieved this ratio in 2023-24. Council actively monitors this ratio to ensure optimal management of cashflow. This ratio is impacted by the water billing cycle resulting in this ratio not being met for the Water and Sewer Funds. As at 30 June each year the amounts associated with the latest cycle are not due, therefore inflating the outstanding amounts. Council met this ratio for other outstanding rates and charges. It is noted that the approach to debt recovery includes consideration of ratepayers' ability to pay, which during 2023-24 has been impacted by economic conditions resulting in cost-of-living challenges for many in the Central Coast local government area. It is noted that the ratio for 2023-24 does not have a significant impact on Council's liquidity.

*Cash Expense Cover Ratio* - this liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow. Council's performance is above the benchmark in 2023-24.

## 2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)

### Report on Infrastructure Assets

Council's Special Schedules include the various indicators mandated by the OLG and the applicable benchmark for all councils to assess their performance against, regarding infrastructure assets. Council's performance is summarised below:

Local Government Industry Indicators	2024	2023	OLG Benchmark	2024 Result
Buildings and Infrastructure Renewals Ratio	96.55%	99.25%	> 100.00%	X
Infrastructure Backlog Ratio	2.06%	2.28%	< 2.00%	X
Asset Maintenance Ratio	53.81%	64.91%	> 100%	X

For the 2023-24 financial year Council has not met the Infrastructure Assets benchmarks. Regarding asset renewal, the performance is close to benchmark, noting that for the General Fund and the Sewer Fund Council achieved over 104% which is better than the benchmark. Renewal expenditure on water assets was at 67.22% being under the benchmark and impacting on the overall consolidated result ratio.

Regarding the backlog ratio, Council met the ratio for the General Fund but not for the Water and Sewer Funds. The positive result for the General Fund reflects a significant investment in asset renewal over recent years.

Council underperformed in the asset maintenance ratio for the General Fund and the Water Fund. For its General Fund assets Council achieved 45.15% against a benchmark of >100%, which indicates that Council needs to consider increased investment in asset maintenance. This increased investment will impact on Council's operating result going forward and will need to be considered as part of Council's annual update of its Long-Term Financial Plan.

Details regarding infrastructure assets ratios by Fund are included in Special Schedules included as part of Attachment 1 to this report.

### Prior Year Adjustments

As part of preparing the 2023-24 Draft Financial Statements, it was identified that a prior period adjustment was required regarding some assets. During 2023-24 Council recognised roads, drainage, bulk earthworks, footpaths, water and sewer assets that had been constructed by others and handed over to Council prior to 2023-24. The Financial Statements have been adjusted to reflect that these assets relate to periods earlier than the reporting period. These errors have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2022) and taking the adjustments through to accumulated surplus at that date. Comparatives for 2022-23 have also been restated, where applicable to reflect the correction of errors. The total adjustment is \$15.8M and is reflected as an increase in equity.

## 2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)

### **Water Supply Authority (WSA) Financial Statements**

The 2023-24 Water Supply Authority Financial Statements are attached as (Attachment 2) to this report.

#### Operating Result

	2023-24 Actual \$'000	2022-23 Actual \$'000
Income from operations	241,532	201,431
Expenditure from operations	240,243	202,632
<b>Net operating result (excluding capital grants and contributions)</b>	<b>1,289</b>	<b>(1,201)</b>
Income from capital grants and contributions*	26,833	49,981
<b>Net operating result (including capital grants and contributions)</b>	<b>28,122</b>	<b>48,780</b>

#### Statement of Financial Position

For the movement between financial years a positive movement means that the values have increased from 30 June 2023 to 30 June 2024.

Statement of Financial Position	30 June 2024 \$'000	30 June 2023 \$'000	Movement \$'000
<b>Assets</b>			
Current Assets	175,020	150,394	24,626
Non-Current Assets*	4,667,285	4,482,442	184,843
<b>Total Assets</b>	<b>4,842,305</b>	<b>4,632,836</b>	<b>209,469</b>
<b>Liabilities</b>			
Current Liabilities	79,670	83,790	(4,120)
Non-Current Liabilities	151,772	155,598	(3,826)
<b>Total Liabilities</b>	<b>231,442</b>	<b>239,388</b>	<b>(7,946)</b>
<b>Net Equity</b>	<b>4,610,863</b>	<b>4,393,448</b>	<b>217,415</b>

\*2023 figures have been restated

## **2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)**

---

### **Stakeholder Engagement**

The 2023-24 Central Coast Council audited Financial Statements were considered by the Audit Risk and Improvement Committee on 21 October 2024. The Committee were also provided with an overview of the conduct of the audit by the NSW Audit Office and have endorsed the presentation of the audited Financial Statements to Council recommending adoption of the Financial Statements.

### **Financial Considerations**

Financial Year (FY) Implications

**The proposal has cost financial implications for the current FY only.**

Budget and Long-Term Financial Plan (LTFP) Impact.

**The FY adopted budget includes funding for this proposal.**

The audit of Council's Financial Statements has been undertaken by the Audit Office of NSW at an agreed engagement fee which is included in Council's budget.

### **Link to Community Strategic Plan**

Theme 4: Responsible

### **Choose Focus Area**

R-G3: Provide leadership that is transparent and accountable, makes decisions in the best interest of the community, ensures Council is financially sustainable and adheres to a strong audit process.

### **Risk Management**

The Financial Statements are audited by the Audit Office of New South Wales who, amongst other things, form an opinion on the Financial Statements whether:

- The Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3 Division 2; and

## **2.1 Presentation of 2023-24 Financial Statements and related Auditor's Reports for Central Coast Council and Central Coast Council Water Supply Authority (cont'd)**

---

that the Financial Statements:

- have been prepared, in all material respects, in accordance with the requirements of this Division
- are consistent with the Council's accounting records
- present fairly, in all material respects, the financial position of the Council as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or Financial Statements have come to light during the audit.



### **Options**

In accordance with s.48 (2) of the LG Act, Council must present its 2023-24 audited Financial Statements and it is a legislative requirement for Councils to adopt annual Financial Statements.

### **Critical Dates or Timeframes**

Council must lodge the audit Financial Reports with the Office of Local Government by no later than 31 October 2024.

### **Attachments**

<b>1</b> 	Central Coast Council 2023-2024 Financial Statements	Provided Under Separate Cover	D16466409
<b>2</b> 	Central Coast Council Water Supply Authority 2023-2024 Financial Statements	Provided Under Separate Cover	D16466421





# General Purpose Financial Statements

## Central Coast Council

---

1 July 2023 to 30 June 2024

Central  
Coast  
Council

## Central Coast Council

### General Purpose Financial Statements

for the year ended 30 June 2024

---

Contents	Page
<b>Statement by Administrator and Management</b>	<b>3</b>
<b>Primary Financial Statements:</b>	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
<b>Contents for the notes to the Financial Statements</b>	<b>9</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	92
On the Financial Statements (Sect 417 [3])	95

---

### Overview

Central Coast Council is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

2 Hely Street Wyong, NSW 2259

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.centralcoast.nsw.gov.au](http://www.centralcoast.nsw.gov.au)

## Central Coast Council

### General Purpose Financial Statements

for the year ended 30 June 2024

---

Statement by Administrator and Management made pursuant to Section 413(2)(c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 27 August 2024.



---

Rik Hart  
Administrator  
27 August 2024



---

Marissa Racemelara  
A/Chief Executive Officer  
27 August 2024



---

Emma Galea  
Responsible Accounting Officer  
27 August 2024



Central Coast Council | Income Statement | for the year ended 30 June 2024

**Central Coast Council****Income Statement**

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Restated Actual 2023
<b>Income from continuing operations</b>				
421,456	Rates and annual charges	B2-1	421,528	389,286
163,782	User charges and fees	B2-2	169,410	164,980
13,683	Other revenues	B2-3	18,329	16,103
49,880	Grants and contributions provided for operating purposes	B2-4	52,810	56,622
77,354	Grants and contributions provided for capital purposes	B2-4	107,166	127,726
15,244	Interest and investment income	B2-5	38,248	23,888
8,775	Other income	B2-6	16,131	14,738
750,174	<b>Total income from continuing operations</b>		<b>823,622</b>	<b>793,343</b>
<b>Expenses from continuing operations</b>				
195,069	Employee benefits and on-costs	B3-1	194,559	184,873
224,443	Materials and services	B3-2	221,613	204,252
13,746	Borrowing costs	B3-3	12,466	13,072
192,226	Depreciation, amortisation and impairment of non-financial assets <sup>1</sup>	B3-4	197,295	175,168
44,523	Other expenses	B3-5	43,096	44,043
—	Net loss from the disposal of assets	B4-1	8,827	9,408
670,007	<b>Total expenses from continuing operations</b>		<b>677,856</b>	<b>630,816</b>
80,167	<b>Operating result from continuing operations</b>		<b>145,766</b>	<b>162,527</b>
80,167	<b>Net operating result for the year attributable to Council</b>		<b>145,766</b>	<b>162,527</b>
2,813	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>38,600</b>	<b>34,801</b>

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

Central Coast Council | Statement of Comprehensive Income | for the year ended 30 June 2024

## Central Coast Council

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	Restated 2023
<b>Net operating result for the year – from Income Statement</b>		<b>145,766</b>	162,527
<b>Other comprehensive income:</b>			
Amounts that will not be reclassified subsequent to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-8	<u>325,202</u>	<u>375,374</u>
<b>Total other comprehensive income for the year</b>		<u><b>325,202</b></u>	<u>375,374</u>
<b>Total comprehensive income for the year attributable to Council (restated)</b>		<u><b>470,968</b></u>	<u>537,901</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Central Coast Council | Statement of Financial Position | as at 30 June 2024

## Central Coast Council

### Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	Restated 2023	Restated 1 July 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	C1-1	122,934	79,523	55,009
Investments	C1-2	257,020	248,590	164,034
Receivables	C1-4	89,587	89,794	66,678
Inventories	C1-5	1,588	1,593	1,509
Non-current assets classified as 'held for sale'	C1-7	19,070	20,677	15,702
Other	C1-10	6,171	5,925	3,767
<b>Total current assets</b>		<b>496,370</b>	<b>446,102</b>	<b>306,699</b>
<b>Non-current assets</b>				
Investments	C1-2	419,754	432,443	433,093
Receivables	C1-4	2,370	2,806	3,348
Infrastructure, property, plant and equipment (IPPE)	C1-8	8,919,904	8,559,167	8,151,613
Intangible assets	C1-9	16,465	19,454	22,942
Right of use assets	C2-1	4,946	5,597	3,060
Other	C1-10	427	663	704
<b>Total non-current assets</b>		<b>9,363,866</b>	<b>9,020,130</b>	<b>8,614,760</b>
<b>Total assets</b>		<b>9,860,236</b>	<b>9,466,232</b>	<b>8,921,459</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	C3-1	98,262	88,774	83,198
Contract liabilities	C3-2	32,309	32,517	17,317
Lease liabilities	C2-1	479	487	331
Borrowings	C3-3	20,206	104,245	27,484
Employee benefit provisions	C3-4	58,891	57,978	53,333
Provisions	C3-5	10,221	6,668	8,970
<b>Total current liabilities</b>		<b>220,368</b>	<b>290,669</b>	<b>190,633</b>
<b>Non-current liabilities</b>				
Contract liabilities	C3-2	9,543	7,348	7,279
Lease liabilities	C2-1	5,315	5,877	2,963
Borrowings	C3-3	171,414	181,619	285,865
Provisions	C3-5	86,823	84,914	76,815
<b>Total non-current liabilities</b>		<b>273,095</b>	<b>279,758</b>	<b>372,922</b>
<b>Total liabilities</b>		<b>493,463</b>	<b>570,427</b>	<b>563,555</b>
<b>Net assets</b>		<b>9,366,773</b>	<b>8,895,805</b>	<b>8,357,904</b>
<b>EQUITY</b>				
Accumulated surplus		7,455,511	7,309,745	7,147,218
IPPE revaluation reserve	C4-1	1,911,262	1,586,060	1,210,686
<b>Total equity</b>		<b>9,366,773</b>	<b>8,895,805</b>	<b>8,357,904</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



Central Coast Council | Statement of Changes in Equity | for the year ended 30 June 2024

## Central Coast Council

Statement of Changes in Equity  
for the year ended 30 June 2024

		2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000	Notes				Restated	Restated	Restated
Opening balance at 1 July		7,309,745	1,586,060	8,895,805	7,131,392	1,210,686	8,342,078
Correction of prior period errors	G4-1	–	–	–	15,826	–	15,826
<b>Restated opening balance</b>		<b>7,309,745</b>	<b>1,586,060</b>	<b>8,895,805</b>	<b>7,147,218</b>	<b>1,210,686</b>	<b>8,357,904</b>
Net operating result for the year		145,766	–	145,766	146,868	–	146,868
Correction of prior period errors	G4-1	–	–	–	15,659	–	15,659
<b>Restated net operating result for the period</b>		<b>145,766</b>	<b>–</b>	<b>145,766</b>	<b>162,527</b>	<b>–</b>	<b>162,527</b>
<b>Other comprehensive income</b>							
– Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	–	325,202	325,202	–	375,374	375,374
<b>Total comprehensive income</b>		<b>145,766</b>	<b>325,202</b>	<b>470,968</b>	<b>162,527</b>	<b>375,374</b>	<b>537,901</b>
<b>Restated closing balance at 30 June</b>		<b>7,455,511</b>	<b>1,911,262</b>	<b>9,366,773</b>	<b>7,309,745</b>	<b>1,586,060</b>	<b>8,895,805</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Central Coast Council | Statement of Cash Flows | for the year ended 30 June 2024

## Central Coast Council

### Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
432,350	Rates and annual charges		420,346	380,240
158,021	User charges and fees		169,779	164,456
25,463	Interest received		37,642	20,420
133,537	Grants and contributions		149,439	137,852
–	Bonds, deposits and retentions received		–	162
24,823	Other (includes rental income)		23,999	21,549
<i>Payments:</i>				
(194,278)	Payments to employees		(195,319)	(176,629)
(215,921)	Payments for materials and services		(222,344)	(200,393)
(11,018)	Borrowing costs		(11,416)	(10,534)
–	Bonds, deposits and retentions refunded		(130)	–
(38,995)	Other (includes EPA levy)		(25,564)	(37,153)
313,982	<b>Net cash flows from operating activities</b>	G1-1	346,432	299,970
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
71,760	Sale of investments		338,600	294,000
7,025	Proceeds from sale of IPPE and non-current assets held for sale		5,717	9,309
1,863	Deferred debtors receipts		–	–
<i>Payments:</i>				
(12,722)	Purchase of investments		(329,542)	(375,490)
(252,724)	Payments for IPPE		(222,658)	(175,376)
–	Purchase of intangible assets		(130)	–
(184,798)	<b>Net cash flows from investing activities</b>		(208,013)	(247,557)
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
10,000	Proceeds from borrowings		10,000	–
<i>Payments:</i>				
(106,108)	Repayment of borrowings		(104,244)	(27,484)
(488)	Lease payments (AASB 16)		(764)	(415)
(96,596)	<b>Net cash flows from financing activities</b>		(95,008)	(27,899)
32,588	<b>Net change in cash and cash equivalents</b>		43,411	24,514
79,523	Plus: cash and cash equivalents at beginning of year		79,523	55,009
112,111	<b>Cash and cash equivalents at end of year</b>	C1-1	122,934	79,523

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Central Coast Council

### Contents for the notes to the Financial Statements for the year ended 30 June 2024

<b>A About Council and these financial statements</b>	<b>11</b>
A1-1 Basis of preparation	11
<b>B Financial Performance</b>	<b>13</b>
<b>B1 Functions or activities</b>	<b>13</b>
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	14
<b>B2 Sources of income</b>	<b>15</b>
B2-1 Rates and annual charges	15
B2-2 User charges and fees	16
B2-3 Other revenues	17
B2-4 Grants and contributions	18
B2-5 Interest and investment income	21
B2-6 Other income	21
<b>B3 Costs of providing services</b>	<b>22</b>
B3-1 Employee benefits and on-costs	22
B3-2 Materials and services	23
B3-3 Borrowing costs	24
B3-4 Depreciation, amortisation and impairment of non-financial assets	24
B3-5 Other expenses	25
<b>B4 Gains or losses</b>	<b>26</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	26
<b>B5 Performance against budget</b>	<b>27</b>
B5-1 Material budget variations	27
<b>C Financial position</b>	<b>29</b>
<b>C1 Assets we manage</b>	<b>29</b>
C1-1 Cash and cash equivalents	29
C1-2 Financial investments	29
C1-3 Restricted and allocated cash, cash equivalents and investments	30
C1-4 Receivables	33
C1-5 Inventories	34
C1-6 Contract assets and Contract cost assets	34
C1-7 Non-current assets classified as held for sale	34
C1-8 Infrastructure, property, plant and equipment	35
C1-9 Intangible assets	39
C1-10 Other	39
<b>C2 Leasing activities</b>	<b>40</b>
C2-1 Council as a lessee	40
C2-2 Council as a lessor	42
<b>C3 Liabilities of Council</b>	<b>44</b>
C3-1 Payables	44
C3-2 Contract Liabilities	45
C3-3 Borrowings	46
C3-4 Employee benefit provisions	48

## Central Coast Council

### Contents for the notes to the Financial Statements for the year ended 30 June 2024

C3-5 Provisions	48
<b>C4 Reserves</b>	<b>51</b>
C4-1 Nature and purpose of reserves	51
<b>D Council structure</b>	<b>52</b>
<b>D1 Results by fund</b>	<b>52</b>
D1-1 Income Statement by fund	52
D1-2 Statement of Financial Position by fund	53
D1-3 Details of internal loans	54
<b>D2 Interests in other entities</b>	<b>55</b>
D2-1 Subsidiaries	55
<b>E Risks and accounting uncertainties</b>	<b>57</b>
E1-1 Risks relating to financial instruments held	57
E2-1 Fair value measurement	60
E3-1 Contingencies	71
<b>F People and relationships</b>	<b>74</b>
<b>F1 Related party disclosures</b>	<b>74</b>
F1-1 Key management personnel (KMP)	74
F1-2 Councillor, Mayoral and Administrator fees and associated expenses	75
F1-3 Other related parties	76
<b>F2 Other relationships</b>	<b>77</b>
F2-1 Audit fees	77
<b>G Other matters</b>	<b>78</b>
G1-1 Statement of Cash Flows information	78
G2-1 Commitments	79
G3-1 Events occurring after the reporting date	79
<b>G4 Changes from prior year statements</b>	<b>80</b>
G4-1 Correction of errors	80
<b>G5 Statement of developer contributions</b>	<b>82</b>
G5-1 Summary of developer contributions	82
G5-2 Developer contributions by plan	83
<b>G6 Statement of performance measures</b>	<b>89</b>
G6-1 Statement of performance measures – consolidated results	89
G6-2 Statement of performance measures by fund	90

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 31 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements is included with the relevant note. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment.

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. fair values of infrastructure, property, plant and equipment – refer Note C1-8
- ii. tip remediation provisions – refer Note C3-5
- iii. employee benefit provisions – refer Note C3-4.

#### **Significant judgements in applying the Council's accounting policies**

- i. Impairment of receivables – refer to Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.
- iv. Assets classified as held for sale - refer to Note C1-7.

#### **Going Concern**

The Financial Statements have been prepared on a going concern basis, which assumes Council will be able to meet its debts and other financial obligations as they fall due.

#### **Monies and other assets received by Council**

##### **The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- general purpose operations
- water service
- sewerage service

## A1-1 Basis of preparation (continued)

- drainage
- domestic waste
- committees established under the *Local Government Act 1993 (NSW)* S355

### The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and property received by Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at Council office by any person free of charge.

### Volunteer services

Volunteer services are services received by Council from individuals or other entities without charge or for consideration significantly less than the fair value of those services. These may include:

- Committees with volunteer members,
- Volunteers at art galleries or museums,
- Library volunteers,
- Childcare volunteers,
- Outdoor space volunteers, and
- Volunteers at special Council events.

Volunteer services will only be recognised when:

- such services would be purchased if they had not been donated, and
- the fair value of those services can be reliably measured.

Council, as necessary, has recognised the cost and associated income of volunteer services in relation to Council's Art Gallery and Theatre as Other Income and Other Expenses in Notes B2-3 and B3-2 respectively.

### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2024 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024.

- **AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

This standard did not have a significant impact on Council's reported position or performance.



## B Financial Performance

### B1 Functions or activities

#### B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating results		Grants and contributions		Carrying amount of assets	
	2024	2023 <sup>1</sup>	2024	2023 <sup>1</sup>	2024	2023 <sup>1</sup>	2024	2023 <sup>1</sup>	2024	2023 <sup>1</sup>
<b>Functions or activities</b>										
Responsible	753,710	713,659	503,930	478,998	249,780	234,661	139,669	146,472	8,194,906	8,713,493
Liveable	44,556	47,077	105,010	93,351	(60,454)	(46,274)	14,220	25,820	640,279	621,819
Belonging	5,513	5,889	23,195	18,576	(17,682)	(12,687)	1,372	733	39,471	46,882
Smart	15,160	22,546	25,887	24,629	(10,727)	(2,083)	1,020	9,727	961,048	63,674
Green	4,683	4,172	19,834	15,262	(15,151)	(11,090)	3,695	1,596	24,525	20,362
<b>Total functions and activities</b>	<b>823,622</b>	<b>793,343</b>	<b>677,856</b>	<b>630,816</b>	<b>145,766</b>	<b>162,527</b>	<b>159,976</b>	<b>184,348</b>	<b>9,860,229</b>	<b>9,466,230</b>

(1) Restated 2022/23

## B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

### Responsible

- Governance
- Partnerships - Plans into practice
- Communicate with community
- Engage with community
- Serve the community
- Delivering essential Infrastructure (roads, carparks, energy, water, telecommunications)

### Liveable

- Public transport connections
- Plans transport management options
- Shared pathways
- Signage, public facilities, amenities, playgrounds, public areas
- Waterways, wharves, jetties, boat ramps and ocean baths
- Sport, leisure, recreational facilities, open space
- Healthcare
- Learning and knowledge
- Community facilities
- Heritage
- Land use planning
- Environmental
- Housing

### Belonging

- Community spirit
- Connect people
- Inclusion and well being
- Social and health issues
- Community safety
- Activate places
- Events
- Sporting, cultural, festivals
- Arts

### Smart

- Economic development
- CBD, town centres
- Tourism
- Innovation and futures

### Green

- Natural areas
- Biodiversity
- Water quality
- Litter and landfill
- Renewable energy
- Protection of environment

Central Coast Council | Notes to the Financial Statements 30 June 2024

**B2 Sources of income****B2-1 Rates and annual charges**

\$ '000	2024	2023
<b>Ordinary rates</b>		
Residential	180,732	173,191
Farmland	940	912
Mining	2,387	2,300
Business	26,036	24,791
Less: pensioner rebates (State Government funded)	(2,186)	(2,179)
Less: pensioner rebates (Council funded)	(1,788)	(1,779)
<b>Rates levied to ratepayers</b>	<b>206,121</b>	<b>197,236</b>
Pensioner rate subsidies received	2,172	2,140
<b>Total ordinary rates</b>	<b>208,293</b>	<b>199,376</b>
<b>Special rates</b>		
Town improvement	1,596	1,531
Parking	228	221
Tourism / business development	1,132	1,086
<b>Total special rates</b>	<b>2,956</b>	<b>2,838</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	78,860	77,970
Water supply services	35,342	23,265
Sewerage services	73,706	65,478
Drainage	20,361	18,823
Waste management services (not-domestic)	4,035	3,817
Section 611 charges	104	91
Liquid trade waste	545	585
Less: pensioner rebates (State Government funded)	(3,307)	(3,316)
Less: pensioner rebates (Council funded)	(2,706)	(2,712)
<b>Annual charges levied</b>	<b>206,940</b>	<b>184,001</b>
Pensioner annual charges subsidies received:		
– Water	1,123	1,028
– Sewerage	1,119	881
– Domestic waste management	1,097	1,162
<b>Total annual charges</b>	<b>210,279</b>	<b>187,072</b>
<b>Total rates and annual charges</b>	<b>421,528</b>	<b>389,286</b>

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

**Material accounting policy information**

Rates and annual 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.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**B2-2 User charges and fees**

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
<b>User charges</b>		
Water supply services	68,127	61,439
Sewerage services	20,126	18,481
Waste management services (other)	79	67
Liquid trade waste	1,938	2,821
<b>Total user charges</b>	<b>90,270</b>	<b>82,808</b>
<b>Fees</b>		
Building services – other	1,212	1,189
Development applications	4,644	5,507
Inspection services	1,129	724
Private works – section 67	476	409
Registration fees	334	340
Regulatory/statutory fees	106	180
Rezoning fees	218	234
Section 10.7 certificates (EP&A Act)	1,115	1,028
Other	426	348
Section 603 certificates	819	594
Aerodrome	62	61
Camping ground	789	813
Child care	8,886	8,088
Companion animals	412	317
Engineering design fees	686	711
Holiday parks	12,913	12,505
On site sewer management (OSSM)	689	665
Parking fees	591	505
Parks and recreation	1,052	677
Sewerage Connection Income	291	501
Swimming centres	5,327	4,847
Theatres	868	1,020
Tipping fees	23,940	24,583
Transport for NSW works (state roads not controlled by Council)	8,364	12,629
Other	2,444	2,708
Water connection fees	1,347	989
<b>Total fees</b>	<b>79,140</b>	<b>82,172</b>
<b>Total user charges and fees</b>	<b>169,410</b>	<b>164,980</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time	13,702	–
User charges and fees recognised at a point in time	155,708	164,980
<b>Total user charges and fees</b>	<b>169,410</b>	<b>164,980</b>

**Material accounting policy information**

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

Central Coast Council | Notes to the Financial Statements 30 June 2024

### B2-3 Other revenues

\$ '000	2024	2023
Fines – parking	979	735
Landfill sale of scrap metal	1,313	1,318
Fines – other	4,063	2,832
Sales – general	1,172	1,077
Event revenue	4,219	2,913
Insurance claims recoveries	1,024	1,894
Legal fees recovery – other	650	257
Diesel rebate	358	553
Cemetery income	338	290
Landfill gas royalty payment	646	508
Arts centre	–	2
Section 355 Committee income	354	15
Other	3,213	3,709
<b>Total other revenue</b>	<b>18,329</b>	<b>16,103</b>

#### Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	18,329	16,103
<b>Total other revenue</b>	<b>18,329</b>	<b>16,103</b>

#### Material accounting policy information for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**B2-4 Grants and contributions**

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023 <sup>1</sup>
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	993	5,853	–	–
Financial assistance – local roads component	224	1,387	–	–
<b>Payment in advance - future year allocation <sup>2</sup></b>				
Financial assistance – general component	21,970	24,978	–	–
Financial assistance – local roads component	4,854	5,496	–	–
<b>Amount recognised as income during current year</b>	<b>28,041</b>	<b>37,714</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Aged and disabled	–	27	–	–
Bushfire and emergency services	4,764	3,549	18	82
Child care	560	375	346	154
Community care	775	428	–	–
Employment and training programs	174	207	–	–
Environmental programs	2,206	3,347	1,316	399
Heritage and cultural	–	16	–	–
Library	994	993	2,921	441
LIRS subsidy	3	52	–	–
Recreational facilities	24	330	8,286	3,925
Roads and bridges	–	–	35,205	18,980
Roadworks	20	19	–	–
Sewerage (excl. section 64 contributions)	–	–	(3)	–
Street lighting	1,026	1,006	–	–
Transport (roads to recovery)	–	–	2,772	2,772
Transport for NSW contributions (regional roads, block grant)	3,973	3,901	–	–
Transport (other roads and bridges funding)	6,728	1,542	400	2,420
Vehicle contributions by employees	1,943	1,914	–	–
Water / Sewer Infrastructure	–	–	11,259	18,420
Youth services	65	50	–	–
Other	1,503	1,152	1,218	1,188
Other contributions	11	–	–	–
<b>Non-cash contributions</b>				
Donated assets <sup>1</sup>	–	–	12,981	49,495
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>24,769</b>	<b>18,908</b>	<b>76,719</b>	<b>98,276</b>
<b>Total grants and non-developer contributions</b>	<b>52,810</b>	<b>56,622</b>	<b>76,719</b>	<b>98,276</b>
<b>Comprising:</b>				
– Commonwealth funding	28,096	39,839	22,817	17,409
– State funding	22,329	14,349	40,508	31,275
– Other funding	2,385	2,434	13,394	49,592
	<b>52,810</b>	<b>56,622</b>	<b>76,719</b>	<b>98,276</b>

(1) Restated 2022/23

(2) 85% of the 2024-2025 Financial Assistance Grant from the Commonwealth Government totalling \$26.8M was received by Council during the current financial year and hence is reported as 2023-2024 income although it relates to 2024-2025 financial year.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**B2-4 Grants and contributions (continued)****Developer contributions**

\$ '000	Notes	Operating 2024	Operating 2023	Capital 2024	Capital 2023 <sup>1</sup>
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>	G5				
S 7.11 – contributions towards amenities/services		–	–	23	23
S 7.12 – fixed development consent levies		–	–	4,581	1,164
S 64 – water supply contributions		–	–	3,339	3,325
S 64 – sewerage service contributions		–	–	2,353	2,851
Other developer contributions		–	–	295	572
S 7.11 – stormwater contributions		–	–	2,281	2,677
S 7.11 – roadworks		–	–	3,348	5,905
S 7.11 – open space		–	–	5,461	7,105
S 7.11 – community facilities		–	–	2,330	4,093
<b>Non-cash contributions</b>					
S 7.11 – contributions towards amenities/services		–	–	4,471	–
S 7.11 - drainage assets		–	–	982	–
S 64 – sewerage service contributions		–	–	301	720
S 64 – water supply contributions		–	–	682	1,015
<b>Total developer contributions</b>	G5	–	–	30,447	29,450
<b>Total grants and contributions</b>		<b>52,810</b>	<b>56,622</b>	<b>107,166</b>	<b>127,726</b>
<b>Timing of revenue recognition</b>					
Grants and contributions recognised over time		19,906	12,665	34,301	6,794
Grants and contributions recognised at a point in time		32,904	43,957	72,865	120,932
<b>Total grants and contributions</b>		<b>52,810</b>	<b>56,622</b>	<b>107,166</b>	<b>127,726</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Grants</b>				
Unspent funds at 1 July	10,710	6,716	20,397	8,852
<b>Add:</b> Funds received and not recognised as revenue in the current year	3,232	7,938	13,192	16,069
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(8,131)	(3,944)	(4,742)	(4,524)
<b>Unspent funds at 30 June</b>	<b>5,811</b>	<b>10,710</b>	<b>28,847</b>	<b>20,397</b>
<b>Contributions</b>				
Unspent funds at 1 July	685	701	226,361	200,990
<b>Add:</b> contributions received and not recognised as revenue in the current year	174	146	36,326	35,719
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	(204)	(162)	(21,945)	(10,348)
<b>Unspent funds at 30 June</b>	<b>655</b>	<b>685</b>	<b>240,742</b>	<b>226,361</b>

### Material accounting policy information

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include differing performance obligations within AASB 15, for example, event milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

#### Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by Council.

#### Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).



## B2-4 Grants and contributions (continued)

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

### Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

## B2-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	3,048	1,633
– Cash and investments	35,200	22,255
<b>Total interest and investment income</b>	<b>38,248</b>	<b>23,888</b>

### Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned.

## B2-6 Other income

\$ '000	Notes	2024	2023
<b>Rental income</b>			
Properties not held for investment		5,482	5,190
Room/Facility Hire		4,504	4,154
Outdoor space		180	264
Other		139	145
<b>Total rental income</b>	C2-2	<b>10,305</b>	<b>9,753</b>
Fair value increment on investments through profit and loss		5,826	4,985
<b>Total other income</b>		<b>16,131</b>	<b>14,738</b>

Central Coast Council | Notes to the Financial Statements 30 June 2024

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	144,707	130,187
Employee termination costs	607	3,254
Employee leave entitlements	36,052	37,274
Superannuation	19,287	16,687
Workers Compensation	4,407	6,195
Fringe benefit tax (FBT)	73	76
Payroll tax	2,288	1,908
<b>Total employee costs</b>	<b>207,421</b>	<b>195,581</b>
Less: capitalised costs	(12,862)	(10,708)
<b>Total employee costs expensed</b>	<b>194,559</b>	<b>184,873</b>

#### Material accounting policy information

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

Central Coast Council | Notes to the Financial Statements 30 June 2024

### B3-2 Materials and services

\$ '000	Notes	2024	2023 Restated
Raw materials and consumables		30,389	19,920
Contractor costs		78,122	77,462
Contract costs Garbage collection		35,646	33,760
Contract costs Green waste processing		7,068	6,621
Contract costs Agency hire		4,257	4,574
Audit Fees	F2-1	711	1,108
<b>Previously other expenses:</b>			
Advertising		744	569
Bank charges		1,245	1,342
Commissions		5,920	4,961
Computer software charges		12,851	11,044
Election expenses		11	6
Councillor, Mayoral and Administrator fees and associated expenses <sup>1</sup>	F1-2	387	386
Electricity and heating		14,483	15,366
Events and promotions		3,011	2,424
Gas charges		149	370
Insurance		6,138	4,663
Licences		1,173	1,268
Planning NSW development application fees		544	775
Postage		1,059	1,143
Printing and stationery		1,092	767
Street lighting		4,618	4,766
Subscriptions and publications		681	632
Telephone and communications		1,588	1,566
Tip rehabilitation provision adjustment		(265)	738
Travel expenses <sup>1</sup>		30	21
Training costs		1,640	1,067
Valuer general fees		1,085	991
Vehicle registrations		776	942
Other expenses		4,172	3,456
<b>Legal expenses:</b>			
– Legal expenses: other		1,029	431
Expenses from short-term leases		1,199	1,085
Expenses from Peppercorn leases		4	5
Expenses from leases of low value assets		7	14
Variable lease expenses relating to usage		49	9
<b>Total materials and services</b>		<b>221,613</b>	<b>204,252</b>

(1) Restated 2022-23

Central Coast Council | Notes to the Financial Statements 30 June 2024

### B3-3 Borrowing costs

\$ '000	Notes	2024	2023
Interest on leases		272	283
Interest on overdraft		–	2
Interest on loans		9,288	10,088
Interest on other debts		109	166
Amortisation of discounts and premiums			
- Floating Rate Notes		–	–
Remediation liabilities	C3-5	2,797	2,533
<b>Total borrowing costs expensed</b>		<b>12,466</b>	<b>13,072</b>

### B3-4 Depreciation, amortisation and impairment of non-financial assets

#### Depreciation and amortisation

Plant and equipment		7,894	7,632
Office equipment		1,666	2,275
Furniture and fittings		1,590	1,313
Land improvements (depreciable)		1,171	1,018
<b>Infrastructure:</b>	C1-8		
– Buildings – specialised		18,720	14,748
– Other structures		641	489
– Roads <sup>1</sup>		43,890	38,191
– Bridges		900	855
– Footpaths <sup>1</sup>		3,860	3,549
– Stormwater drainage <sup>1</sup>		14,114	13,420
– Water supply network <sup>1</sup>		37,605	34,669
– Sewerage network <sup>1</sup>		41,221	36,411
– Swimming pools		599	544
– Other open space/recreational assets		13,187	12,051
– Other infrastructure		2,052	2,040
<b>Other assets:</b>			
– Library books		741	770
– Other		175	145
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-8	3,577	2,705
<b>Right of use assets</b>	C2-1	573	948
<b>Intangible assets</b>	C1-9	3,119	3,488
<b>Total depreciation and amortisation costs</b>		<b>197,295</b>	<b>177,261</b>

#### Impairment / revaluation decrement/(increment) of IPPE

Furniture and fittings		–	3
Land improvements (depreciable)		–	(1,102)
<b>Infrastructure:</b>	C1-8		
– Buildings – specialised		–	(24)
– Swimming pools		–	(46)
– Other open space/recreational assets		–	(792)
– Other infrastructure		–	(132)
<b>Total impairment costs charged to Income Statement (IPPE)</b>		<b>–</b>	<b>(2,093)</b>

**Total depreciation, amortisation and impairment for non-financial assets**

**197,295      175,168**

## B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

### Material accounting policy information

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

#### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement. When a net revaluation increment reverses a net revaluation decrement previously recognised as an expense in the trading result in respect of the same class of non-current asset, it must be recognised immediately as revenue in the trading account.

(1) Restated 2022/23

## B3-5 Other expenses

\$ '000	2024	2023
<b>Impairment of receivables</b>		
Sundry debtors and other charges	285	956
<b>Fair value decrement on investments</b>		
Fair value decrement on investments through profit and loss	1,027	2,570
<b>Other expenses</b>		
Contributions/levies to other levels of government		
– NSW Fire and rescue levy	3,926	3,334
– NSW rural fire service levy	2,056	2,055
– Waste levy	31,202	31,093
– Holiday Park levy	435	601
– NSW State emergency services levy	1,609	926
Donations, Contributions and assistance to other organisations (Section 356)		
– The Art House	1,163	1,051
– Surf Life Saving Clubs	214	214
– Community grants	866	956
– Other contributions and donations	313	287
<b>Total other expenses</b>	<b>43,096</b>	<b>44,043</b>

### Material accounting policy information

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**B4 Gains or losses****B4-1 Gain or loss from the disposal, replacement and de-recognition of assets**

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-8		
Proceeds from disposal – plant and equipment		4,783	2,515
Less: carrying amount of plant and equipment assets sold/written off		<u>(2,878)</u>	<u>(1,673)</u>
<b>Gain (or loss) on disposal</b>		<u>1,905</u>	<u>842</u>
<b>Gain (or loss) on disposal of infrastructure assets</b>	C1-8		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		<u>(3,776)</u>	<u>(6,548)</u>
<b>Gain (or loss) on disposal</b>		<u>(3,776)</u>	<u>(6,548)</u>
<b>Gain (or loss) on disposal of investments</b>	C1-2		
Proceeds from disposal/redemptions/maturities – investments		338,600	294,000
Less: carrying amount of investments sold/redeemed/matured		<u>(338,600)</u>	<u>(294,000)</u>
<b>Gain (or loss) on disposal</b>		<u>–</u>	<u>–</u>
<b>Gain (or loss) on disposal of land</b>	C1-8		
Proceeds from disposal – community and operational Land		934	6,794
Less: carrying amount of community and operational Land assets sold/written off		<u>(2,712)</u>	<u>(6,396)</u>
<b>Gain (or loss) on disposal</b>		<u>(1,778)</u>	<u>398</u>
<b>Gain (or loss) on disposal of stormwater drainage assets</b>	C1-8		
Proceeds from disposal – Stormwater Drainage		–	–
Less: carrying amount of stormwater drainage assets sold/written off		<u>(1,396)</u>	<u>(329)</u>
<b>Gain (or loss) on disposal</b>		<u>(1,396)</u>	<u>(329)</u>
<b>Gain (or loss) on disposal of sewerage network assets</b>	C1-8		
Proceeds from disposal – Sewerage Network		–	–
Less: carrying amount of sewerage network assets sold/written off		<u>(2,489)</u>	<u>(791)</u>
<b>Gain (or loss) on disposal</b>		<u>(2,489)</u>	<u>(791)</u>
<b>Gain (or loss) on disposal of water supply assets</b>	C1-8		
Proceeds from disposal – water supply assets		–	–
Less: carrying amount of water supply assets sold/written off		<u>(519)</u>	<u>(1,372)</u>
<b>Gain (or loss) on disposal</b>		<u>(519)</u>	<u>(1,372)</u>
<b>Gain (or loss) on disposal of other assets</b>	C1-8		
Proceeds from disposal – Other assets		–	–
Less: carrying amount of other assets sold/written off		<u>(774)</u>	<u>(1,608)</u>
<b>Gain (or loss) on disposal</b>		<u>(774)</u>	<u>(1,608)</u>
<b>Net gain (or loss) from disposal of assets</b>		<u>(8,827)</u>	<u>(9,408)</u>

**Material accounting policy information**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

**Material variations of more than 10%** between original budget and actual results or where the variance is considered material by nature are explained below.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	421,456	421,528	72	0% <b>F</b>
<b>User charges and fees</b>	163,782	169,410	5,628	3% <b>F</b>
<b>Other revenues</b>	13,683	18,329	4,646	34% <b>F</b>
To be compared alongside Other Income as below: favourable variance due to unrealised gains on investments in a high interest rate environment during 2023-2024, increase in income from fines, increase in ticketing income, increase in community facilities rental income.				
<b>Operating grants and contributions</b>	49,880	52,810	2,930	6% <b>F</b>
<b>Capital grants and contributions</b>	77,354	107,166	29,812	39% <b>F</b>
Favourable variance predominantly relates to a large amount of donated assets in 2023-2024 that were not included in the original budget forecast, as well as increased developer contribution income for road works and community facilities.				
<b>Interest and investment revenue</b>	15,244	38,248	23,004	151% <b>F</b>
Favourable variance relates to the value of Council's investment portfolio and interest earnings on floating rate notes and bonds from a high interest rate environment in 2023-2024.				
<b>Other income</b>	8,775	16,131	7,356	84% <b>F</b>
To be compared alongside Other Revenue as above: see Other Revenue for favourable variance explanation. B5 Performance against budget B5-1 Material budget variations.				

Central Coast Council | Notes to the Financial Statements 30 June 2024

### B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
<b>Expenses</b>				
Employee benefits and on-costs	195,069	194,559	510	0% <b>F</b>
Materials and services	224,443	221,613	2,830	1% <b>F</b>
Borrowing costs	13,746	12,466	1,280	9% <b>F</b>
Depreciation, amortisation and impairment of non-financial assets	192,226	197,295	(5,069)	(3)% <b>U</b>
Other expenses	44,523	43,096	1,427	3% <b>F</b>
Net losses from disposal of assets	–	8,827	(8,827)	∞ <b>U</b>
<b>Statement of cash flows</b>				
Cash flows from operating activities	313,982	346,432	32,450	10% <b>F</b>
Cash flows from investing activities	(184,798)	(208,013)	(23,215)	13% <b>U</b>
Unfavourable variance due to an increase of purchases of investments made in 2023-2024 than budgeted and a reduced amount of proceeds from the sale of Infrastructure, Property, Plant and Equipment. This is slightly offset by the reduced purchases for Infrastructure, Property, Plant and Equipment made in 2023-2024.				
Cash flows from financing activities	(96,596)	(95,008)	1,588	(2)% <b>F</b>



Central Coast Council | Notes to the Financial Statements 30 June 2024

**C Financial position****C1 Assets we manage****C1-1 Cash and cash equivalents**

\$ '000	2024	2023
<b>Cash assets</b>		
Cash on hand and at bank	95,310	53,255
Deposits at call	27,624	26,268
<b>Total cash and cash equivalents</b>	<b>122,934</b>	<b>79,523</b>

**Material accounting policy information**

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts, if utilised, are shown within borrowings in current liabilities on the Statement of Financial Position.

**C1-2 Financial investments**

\$ '000	2024 Current	2024 Non-current	2023 Current Restated	2023 Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Government and Non-government Bonds	54,510	36,490	–	80,236
NCD's, FRN's	62,510	348,264	38,590	327,207
<b>Total</b>	<b>117,020</b>	<b>384,754</b>	<b>38,590</b>	<b>407,443</b>
<b>Debt securities at amortised cost</b>				
Long term deposits	140,000	35,000	210,000	25,000
<b>Total financial investments</b>	<b>257,020</b>	<b>419,754</b>	<b>248,590</b>	<b>432,443</b>

**Material accounting policy information**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification**

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

**Amortised cost**

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Central Coast Council | Notes to the Financial Statements 30 June 2024

## C1-2 Financial investments (continued)

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRN's and NCD's in the Statement of Financial Position.

## C1-3 Restricted and allocated cash, cash equivalents and investments

	2024	2023 Restated
<b>\$ '000</b>		
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>799,708</b>	<b>760,556</b>
Less: Externally restricted cash, cash equivalents and investments <sup>1</sup>	<u>(549,770)</u>	<u>(515,385)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<u><b>249,938</b></u>	<u><b>245,171</b></u>

(1) Restated 2022-23

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C1-3 Restricted and allocated cash, cash equivalents and investments (continued)**

\$ '000	2024	2023 Restated
<b>External restrictions</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	111,997	100,043
Developer contributions – water	14,023	10,288
Developer contributions – sewer	18,913	18,086
Developer contributions – drainage	36,567	33,493
Developer contributions – VPA – general	2,969	2,824
Developer contributions – VPA – water	1,113	1,079
Developer contributions – VPA – sewer	523	507
Developer contributions – VPA - drainage	1,448	1,403
Developer contributions – bonus provisions	6,469	5,822
Developer Contributions – Sec 7.12 Levy	45,930	51,625
Specific purpose unexpended grants – general	22,302	18,292
Specific purpose unexpended grants – water	2,275	2,286
Specific purpose unexpended grants - sewer	9,141	10,498
Specific purpose unexpended grants - drainage	940	31
Cemeteries	582	510
Contributions to works including COSS	7,144	6,896
Crown land	2,206	1,947
Domestic waste management	116,121	115,063
Gosford parking station special rate levies	1,533	1,277
Holiday parks and camping ground	15,820	14,756
Self insurance claims – water	1,154	1,478
Self insurance claims – general	9,368	8,561
Self insurance claims – sewer	1,052	1,078
Stormwater management	547	570
Tourism levies	2,767	2,895
Water Supply Authority <sup>1</sup>	116,067	103,278
Other External Restrictions	799	799
<b>Total external restrictions</b>	<b>549,770</b>	<b>515,385</b>

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

<sup>(1)</sup> Restated 2022-23

**(b) Internal allocations**

At 30 June, Council has internally allocated funds to the following:

Davistown Wetlands	1,436	1,436
Drainage Licence Fee	772	696
Emergency services levy savings	244	339
Employees leave entitlement	12,317	9,127
Employment generating projects	2,656	2,816
Property development	1,065	4,862
Regional Library	9,237	11,570
Section 355/advances/deposits	264	368
Tip replacement/rehabilitation	37,269	37,518
Waste disposal facility	32,920	29,963
Emergency loan repayments	15,800	43,000
Future projects reserve	7,297	5,000
Multi-year projects	5,804	1,085

continued on next page ...

Page 31 of 93

### C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

<b>Total internal allocations</b>	<b>127,081</b>	<b>147,780</b>
-----------------------------------	----------------	----------------

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

	<b>2024</b>	2023
<b>\$ '000</b>		Restated

#### (c) Unrestricted and unallocated

<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>122,857</b>	<b>97,391</b>
--	----------------	---------------

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C1-4 Receivables**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates	12,517	–	10,854	–
Interest and extra charges	2,173	–	1,833	–
User charges and fees	12,683	2,093	12,489	2,310
Accrued revenues				
– Interest on investments	5,277	–	5,011	–
– User charges and fees	14,700	–	13,491	–
– Government subsidies	2,307	–	2,229	–
– Other income accruals	5,516	–	3,918	–
Government grants and subsidies	9,848	–	17,087	–
Net GST receivable	3,964	–	4,281	–
Waste management annual charge	4,623	–	4,211	–
Drainage annual charge	2,148	–	1,914	–
Water annual charge	3,165	–	2,049	–
Sewerage annual charge	7,318	–	6,425	–
Other debtors	6,633	277	7,992	496
<b>Total</b>	<b>92,872</b>	<b>2,370</b>	<b>93,784</b>	<b>2,806</b>
<b>Less: provision for impairment</b>				
Sundry debtors and other charges	(3,285)	–	(3,990)	–
<b>Total provision for impairment – receivables</b>	<b>(3,285)</b>	<b>–</b>	<b>(3,990)</b>	<b>–</b>
<b>Total net receivables</b>	<b>89,587</b>	<b>2,370</b>	<b>89,794</b>	<b>2,806</b>

**Material accounting policy information**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

**Impairment**

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1. When considering the ECL for rates and annual charges debtors, Council considers that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are beyond the applicable statute of limitations period, whichever occurs first. None of the receivables that have been written off are subject to enforcement activity.

Where Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Central Coast Council | Notes to the Financial Statements 30 June 2024

## C1-5 Inventories

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>At cost</b>				
Stores and materials	1,588	–	1,593	–
<b>Total inventories</b>	<b>1,588</b>	<b>–</b>	<b>1,593</b>	<b>–</b>

### Material accounting policy information

#### Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## C1-6 Contract assets and Contract cost assets

Nil

## C1-7 Non-current assets classified as held for sale

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Non-current assets held for sale</b>				
Land	12,309	–	13,915	–
Buildings	6,761	–	6,762	–
<b>Total non-current assets classified as held for sale</b>	<b>19,070</b>	<b>–</b>	<b>20,677</b>	<b>–</b>

### Details of assets held for sale

Non-current assets held for sale comprises one parcel of land, the Gosford Administration building and associated sites, the East Gosford Training Centre, and the Woy Woy Commuter Carpark. These assets have been deemed excess to Council's operational requirements and were available for sale and actively marketed as at 30 June 2024.

At the date of this Statement, Council has a signed contract for sale with TAFE for the Gosford Administration site.

The remaining assets are expected to be settled during the financial year ending 30 June 2025.

### Material accounting policy information

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C1-8 Infrastructure, property, plant and equipment**

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period						At 30 June 2024 <sup>1</sup>		
	Gross carrying amount <sup>1</sup> Restated	Accumulated depreciation and impairment <sup>1</sup> Restated	Net carrying amount Restated	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount <sup>1</sup>	Accumulated depreciation and impairment <sup>1</sup>	Net carrying amount <sup>1</sup>
<b>\$ '000</b>												
Capital work in progress	212,248	–	212,248	230,401	–	–	(191,597)	84	–	251,136	–	251,136
Plant and equipment	108,372	(56,297)	52,075	1,498	(2,878)	(7,894)	16,417	–	–	116,920	(57,707)	59,213
Office equipment	19,381	(15,013)	4,368	–	–	(1,666)	675	–	–	13,700	(10,324)	3,376
Furniture and fittings	15,982	(8,147)	7,835	53	(16)	(1,590)	3,455	–	–	19,419	(9,681)	9,738
<b>Land:</b>												
– Operational land	475,202	–	475,202	–	–	–	–	(9,518)	(9,040)	456,644	–	456,644
– Crown and Community land	566,201	–	566,201	–	(2,712)	–	–	9,118	(11,427)	561,180	–	561,180
– Land under roads (post 30/6/08)	2,561	–	2,561	–	–	–	–	137	–	2,698	–	2,698
Land improvements – depreciable	22,988	(5,106)	17,882	–	–	(1,171)	984	–	1,230	25,630	(6,705)	18,925
<b>Infrastructure:</b>												
– Buildings – specialised	980,046	(405,400)	574,646	122	(283)	(18,720)	17,874	41	14,539	1,015,566	(427,345)	588,221
– Other structures	12,333	(3,457)	8,876	–	–	(641)	1,668	(250)	–	13,666	(4,013)	9,653
– Roads	2,367,032	(746,400)	1,620,632	4,793	(3,511)	(43,890)	59,614	(4,592)	85,372	2,541,318	(822,902)	1,718,416
– Bridges	82,108	(30,877)	51,231	–	(154)	(900)	2,286	–	2,817	88,500	(33,219)	55,281
– Footpaths	274,374	(110,123)	164,251	139	(111)	(3,860)	5,584	7,265	9,304	302,707	(120,132)	182,575
– Bulk earthworks (non-depreciable)	401,736	–	401,736	579	–	–	325	(2)	13,126	415,763	–	415,763
– Stormwater drainage	1,818,672	(574,094)	1,244,578	3,323	(1,396)	(14,114)	18,354	–	40,774	1,898,119	(606,601)	1,291,518
– Water supply network	2,554,070	(1,177,523)	1,376,547	415	(519)	(37,605)	11,526	–	68,464	2,693,868	(1,275,041)	1,418,827
– Sewerage network	2,666,642	(1,131,238)	1,535,404	749	(2,489)	(41,221)	43,874	–	77,316	2,837,750	(1,224,117)	1,613,633
– Swimming pools	9,982	(2,662)	7,320	–	–	(599)	407	(41)	493	11,067	(3,487)	7,580
– Other open space/recreational assets	228,182	(65,830)	162,352	292	(473)	(13,187)	6,884	–	29,967	279,336	(93,505)	185,831
– Other infrastructure	49,990	(13,331)	36,659	–	–	(2,052)	441	(2,422)	2,267	50,923	(16,030)	34,893
<b>Other assets:</b>												
– Library books	5,649	(3,817)	1,832	–	–	(741)	890	–	–	6,540	(4,558)	1,982
– Other	7,247	(3,218)	4,029	–	(2)	(175)	53	–	–	7,298	(3,393)	3,905
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>												
– Tip assets	61,366	(30,664)	30,702	1,500	–	(3,577)	286	–	–	63,152	(34,236)	28,916
<b>Total infrastructure, property, plant and equipment</b>	<b>12,942,364</b>	<b>(4,383,197)</b>	<b>8,559,167</b>	<b>243,864</b>	<b>(14,544)</b>	<b>(193,603)</b>	<b>–</b>	<b>(180)</b>	<b>325,202</b>	<b>13,672,900</b>	<b>(4,752,996)</b>	<b>8,919,904</b>

(1) Restated 2022/23

continued on next page ...

Page 35 of 93

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C1-8 Infrastructure, property, plant and equipment (continued)**

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023 <sup>2</sup>		
	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment <sup>2</sup>	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment <sup>2</sup>	Net carrying amount <sup>2</sup>
<b>\$ '000</b>													
Capital work in progress	204,342	—	204,342	176,595	—	—	—	(168,689)	—	—	212,248	—	212,248
Plant and equipment	97,179	(53,125)	44,054	1,648	(1,673)	(7,632)	—	14,430	1,249	—	108,372	(56,297)	52,075
Office equipment	19,298	(12,741)	6,557	—	(4)	(2,275)	—	89	—	—	19,381	(15,013)	4,368
Furniture and fittings	15,528	(6,890)	8,638	—	(47)	(1,313)	(3)	99	460	—	15,982	(8,147)	7,835
<b>Land:</b>													
— Operational land	554,008	—	554,008	—	(2,009)	—	—	—	(9,049)	(67,748)	475,202	—	475,202
— Crown and Community land	564,916	—	564,916	7,109	(4,387)	—	—	—	2,599	(4,035)	566,201	—	566,201
— Land under roads (post 30/6/08)	2,149	—	2,149	—	—	—	—	—	412	—	2,561	—	2,561
Land improvements – depreciable	21,579	(3,781)	17,798	—	—	(1,018)	1,102	—	—	—	22,988	(5,106)	17,882
<b>Infrastructure:</b>													
— Buildings – specialised	934,719	(406,532)	528,187	—	(1,372)	(14,748)	24	10,096	(4,230)	56,691	980,046	(405,400)	574,646
— Other structures	8,888	(2,259)	6,629	394	(20)	(489)	—	935	1,426	—	12,333	(3,457)	8,876
— Roads	2,194,491	(694,921)	1,499,570	8,090	(5,847)	(38,191)	—	74,506	—	82,505	2,367,032	(746,400)	1,620,632
— Bridges	71,144	(28,423)	42,721	—	(50)	(855)	—	6,557	—	2,859	82,108	(30,877)	51,231
— Footpaths	252,647	(100,845)	151,802	1,076	(528)	(3,549)	—	5,813	551	9,085	274,374	(110,123)	164,251
— Bulk earthworks (non-depreciable)	380,982	—	380,982	855	(104)	—	—	544	—	19,459	401,736	—	401,736
— Stormwater drainage	1,712,199	(532,982)	1,179,217	10,223	(329)	(13,420)	—	9,032	—	59,852	1,818,672	(574,094)	1,244,578
— Water supply network	2,363,398	(1,060,610)	1,302,788	3,225	(1,374)	(34,669)	—	8,366	—	98,210	2,554,070	(1,177,523)	1,376,547
— Sewerage network	2,450,628	(1,016,670)	1,433,958	5,827	(791)	(36,411)	—	23,548	—	109,273	2,666,642	(1,131,238)	1,535,404
— Swimming pools	9,366	(1,954)	7,412	—	—	(544)	46	—	—	405	9,982	(2,662)	7,320
— Other open space/recreational assets	204,623	(50,622)	154,001	10,985	(184)	(12,051)	792	2,006	113	6,691	228,182	(65,830)	162,352
— Other infrastructure	44,133	(10,469)	33,664	51	—	(2,040)	132	2,724	—	2,127	49,990	(13,331)	36,659
<b>Other assets:</b>													
— Library books	4,837	(3,047)	1,790	—	—	(770)	—	813	—	—	5,649	(3,817)	1,832
— Other	6,893	(2,994)	3,899	—	—	(145)	—	—	276	—	7,247	(3,218)	4,029
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>													
— Tip assets	50,489	(27,959)	22,530	1,746	—	(2,705)	—	9,131	—	—	61,366	(30,664)	30,702
<b>Total infrastructure, property, plant and equipment</b>	<b>12,168,436</b>	<b>(4,016,824)</b>	<b>8,151,612</b>	<b>227,824</b>	<b>(18,719)</b>	<b>(172,825)</b>	<b>2,093</b>	<b>—</b>	<b>(6,193)</b>	<b>375,374</b>	<b>12,942,364</b>	<b>(4,383,197)</b>	<b>8,559,167</b>

(2) Restated 2021/22

continued on next page ...

Page 36 of 93



## C1-8 Infrastructure, property, plant and equipment (continued)

### Material accounting policy information

#### Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

#### Useful lives of IPPE

Land and bulk earthworks are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	4 to 15	Playground equipment	4 to 50
Office furniture	4 to 50	Benches, seats etc.	10 to 50
Computer equipment	3 to 20		
Vehicles	2 to 25	<b>Buildings</b>	7 to 129
Heavy plant/road making equipment	8 to 25		
Other plant and equipment	2 to 37	<b>Land Improvements - depreciable</b>	6 to 100
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	10 to 200	Drains	10 to 120
Bores	15 to 30	Culverts	120
Reticulation pipes	14 to 120	Flood control structures	80 to 100
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	7 to 100	Swimming pools	8 to 100
Sealed roads: structure	30 to 160	Other open space/recreational assets	3 to 100
Unsealed roads	30 to 160	Other infrastructure	10 to 100
Kerb and gutters	10 to 100	Other structures	5 to 100
Bridges	80 to 100		
Road pavements	40 to 100	<b>Other assets</b>	
Footpaths	30 to 97	Library books	5
		Other	6 to 500
<b>Tip assets</b>	4 to 50		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

#### Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Housing and Infrastructure.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

#### Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

## C1-8 Infrastructure, property, plant and equipment (continued)

---

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

### **Crown reserves**

Crown reserves under Council's care and control are recognised as assets of Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 *Leases*, refer to Note C2-1.

Improvements on Crown reserves are recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C1-9 Intangible assets****Intangible assets**

\$ '000	2024	2023
---------	------	------

**Software****Opening values at 1 July**

Gross book value	30,466	30,466
Accumulated amortisation and impairment	(11,012)	(7,524)
<b>Net book value – opening balance</b>	<b>19,454</b>	<b>22,942</b>

**Movements for the year**

WIP - net movement	1	–
Development costs	129	–
Amortisation charges	(3,119)	(3,488)

**Closing values at 30 June**

Gross book value	30,596	30,466
Accumulated amortisation and impairment	(14,131)	(11,012)

<b>Total software – net book value</b>	<b>16,465</b>	<b>19,454</b>
--	---------------	---------------

<b>Total intangible assets – net book value</b>	<b>16,465</b>	<b>19,454</b>
---	---------------	---------------

**Material accounting policy information****Software**

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from five to ten years.

**C1-10 Other****Other assets**

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments		6,171	–	5,925	–
Investment in the Art House	D2-1	–	427	–	663
<b>Total other assets</b>		<b>6,171</b>	<b>427</b>	<b>5,925</b>	<b>663</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of leases

##### Buildings

Council leases land and buildings to support some of its operational activities. The leases are generally between 3 and 50 years with one containing a renewal option to allow Council to renew the non-cancellable lease term at their discretion. A number of leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

##### Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

##### Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations; the extension options are at Council's discretion. At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

#### (a) Right of use assets

\$ '000	Plant and Equipment	Right-of-Use Assets	Total
<b>2024</b>			
Opening balance at 1 July	–	5,597	5,597
Adjustments due to re-measurement of lease liability	–	(77)	(77)
Depreciation charge	–	(574)	(574)
<b>Balance at 30 June</b>	<b>–</b>	<b>4,946</b>	<b>4,946</b>
<b>2023</b>			
Opening balance at 1 July	–	3,060	3,060
Additions to right-of-use assets	–	3,498	3,498
Adjustments due to re-measurement of lease liability	–	(13)	(13)
Depreciation charge	–	(948)	(948)
<b>Balance at 30 June</b>	<b>–</b>	<b>5,597</b>	<b>5,597</b>

**C2-1 Council as a lessee (continued)****(b) Lease liabilities**

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2024</b>					
Cash flows	479	1,855	3,460	5,794	5,794
<b>2023</b>					
Cash flows	487	1,963	3,914	6,364	6,364

**(c) Income Statement**

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2024	2023
Interest on lease liabilities	272	283
Depreciation of right of use assets	573	948
Expenses relating to short-term leases	1,199	1,085
Expenses relating to leases of low-value assets	7	14
Expenses relating to Peppercorn leases	4	5
Variable lease expenses relating to usage	49	9
	<b>2,104</b>	<b>2,344</b>

**(d) Statement of Cash Flows**

Total cash outflow for leases	2,023	1,811
	<b>2,023</b>	<b>1,811</b>

**(e) Leases at significantly below market value – concessionary / peppercorn leases**

Council has a number of leases at significantly below market for land and buildings which are used for:

- libraries
- child care centres
- youth centres
- boat ramps

The leases are generally between 10 and 99 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases. None of the leases in place are individually material from a statement of financial position or performance perspective.

**Material accounting policy information**

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

## C2-1 Council as a lessee (continued)

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 then Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

### Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of outdoor spaces and properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- property, plant and equipment – where the rental is incidental, or the asset is held to meet Council's service delivery objective (refer note C1-8).

\$ '000	2024	2023
<b>Assets held as property, plant and equipment</b>		
Council provides operating leases on Council buildings for the purpose of recreational activities, the table below relates to operating leases on assets disclosed in C1-8.		
Properties not held for investment	5,482	5,190
Room / Facility hire	4,504	4,154
Outdoor space	180	264
Other	139	145
<b>Total income relating to operating leases for Council assets</b>	<b>10,305</b>	<b>9,753</b>

Central Coast Council | Notes to the Financial Statements 30 June 2024

## C2-2 Council as a lessor (continued)

\$ '000	2024	2023
<b>Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:</b>		
< 1 year	<b>4,964</b>	4,820
1–2 years	<b>5,113</b>	4,964
2–3 years	<b>5,267</b>	5,113
3–4 years	<b>5,425</b>	5,267
4–5 years	<b>5,587</b>	5,425
<b>Total undiscounted lease payments to be received</b>	<b>26,356</b>	25,589

### Material accounting policy information

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and if applicable, as finance income using amortised cost basis for finance leases.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C3 Liabilities of Council****C3-1 Payables**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Payables</b>				
Goods and services	28,218	–	29,226	–
Prepaid rates and annual charges	15,724	–	15,243	–
Accrued expenses:				
– Interest on borrowings	654	–	604	–
– Salaries and wages	4,931	–	6,604	–
– Other expenditure accruals	35,984	–	24,975	–
Security bonds, deposits and retentions	3,612	–	3,742	–
Developer bonds	7,654	–	6,557	–
Overpayments	1,113	–	1,423	–
Other payables	372	–	400	–
<b>Total payables</b>	<b>98,262</b>	<b>–</b>	<b>88,774</b>	<b>–</b>

**Current payables not expected to be settled within the next twelve months**

\$ '000	2024	2023
Payables	27,023	27,088
<b>Total payables</b>	<b>27,023</b>	<b>27,088</b>

**Material accounting policy information**

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Payables represent liabilities for goods and services provided to Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.



Central Coast Council | Notes to the Financial Statements 30 June 2024

**C3-2 Contract Liabilities**

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	22,086	6,761	18,142	2,255
Unexpended operating grants (received prior to performance obligation being satisfied) - AASB 15	(ii)	5,810	–	10,710	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	463	2,094	116	4,320
Unexpended operating contributions (received prior to performance obligation being satisfied) - AASB 15	(ii)	656	–	686	–
<b>Total grants and contributions received in advance</b>		<b>29,015</b>	<b>8,855</b>	<b>29,654</b>	<b>6,575</b>
<b>User fees and charges received in advance:</b>					
Upfront fees – leisure centre	(iii)	32	–	42	–
Deposits received in advance of services provided		3,262	688	2,821	773
<b>Total user fees and charges received in advance</b>		<b>3,294</b>	<b>688</b>	<b>2,863</b>	<b>773</b>
<b>Total contract liabilities</b>		<b>32,309</b>	<b>9,543</b>	<b>32,517</b>	<b>7,348</b>

**Notes**

(i) Council has received funding to construct assets including sporting facilities, regional library, open space areas and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants and contributions received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) Upfront membership fees for Council's leisure centres do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

**Revenue recognised that was included in the contract liability balance at the beginning of the period**

\$ '000	2024	2023
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	4,739	4,360
Operating grants (received prior to performance obligation being satisfied)	8,069	4,016
Capital contributions (to construct Council controlled assets)	–	–
Operating contributions (received prior to performance obligation being satisfied)	204	162
<b>User fees and charges received in advance:</b>		
Upfront fees – leisure centre	42	29
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>13,054</b>	<b>8,567</b>

**Significant changes in contract liabilities**

During the financial year Council received additional capital grants relating to Sewer Treatment Plant Upgrade, Construction of Sporting Complex and Roads and Bridges Programs that will be spent over several years.

**Material accounting policy information**

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Central Coast Council | Notes to the Financial Statements 30 June 2024

**C3-3 Borrowings**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured <sup>1</sup>	20,206	171,414	104,245	181,619
<b>Total borrowings</b>	<b>20,206</b>	<b>171,414</b>	<b>104,245</b>	<b>181,619</b>

<sup>(1)</sup> Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

**(a) Changes in liabilities arising from financing activities**

	2023	Non-cash movements					2024
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement (Lease Liability Remeasuremen t)	Closing balance
Loans – secured	285,864	(94,244)	–	–	–	–	191,620
Lease liability (Note C2-1b)	6,364	(764)	–	–	–	194	5,794
<b>Total liabilities from financing activities</b>	<b>292,228</b>	<b>(95,008)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>194</b>	<b>197,414</b>

	2022	Non-cash movements					2023
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	313,348	(27,484)	–	–	–	–	285,864
Lease liability (Note C2-1b)	3,294	3,070	–	–	–	–	6,364
<b>Total liabilities from financing activities</b>	<b>316,642</b>	<b>(24,414)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>292,228</b>

**(b) Financing arrangements**

\$ '000	2024	2023
---------	------	------

**Total facilities**

Total financing facilities available to Council at the reporting date are:

Loan drawdown facilities	50,000	–
Credit cards/purchase cards	563	480
Master lease facilities	5,023	5,000
<b>Total financing arrangements</b>	<b>55,586</b>	<b>5,480</b>

**Drawn facilities**

Financing facilities drawn down at the reporting date are:

– Loan drawdown facilities	10,000	–
– Credit cards/purchase cards	114	65
– Master lease facilities	4,099	4,332
<b>Total drawn financing arrangements</b>	<b>14,213</b>	<b>4,397</b>

**Undrawn facilities**

Undrawn financing facilities available to Council at the reporting date are:

– Loan drawdown facilities	40,000	–
– Credit cards/purchase cards	449	415
– Master lease facilities	924	668
<b>Total undrawn financing arrangements</b>	<b>41,373</b>	<b>1,083</b>

**Additional financing arrangements information****Breaches and defaults**

continued on next page ...

Page 46 of 93

### C3-3 Borrowings (continued)

---

During the current and prior year, there were no defaults or breaches on any loans.

**Security over loans**

Loans are secured over future cash flows of the Council

Lease liabilities are secured by the underlying leased assets.

**Bank overdrafts**

The bank overdraft facility may be drawn at any time.

It may also be terminated by the bank without notice.

**Material accounting policy information**

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

Central Coast Council | Notes to the Financial Statements 30 June 2024

### C3-4 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	17,279	–	18,373	–
Vested sick leave	5,722	–	6,064	–
Long service leave	34,280	–	31,735	–
Other leave	1,610	–	1,806	–
<b>Total employee benefit provisions</b>	<b>58,891</b>	<b>–</b>	<b>57,978</b>	<b>–</b>

#### Current employee benefit provisions not expected to be settled within the next twelve months

\$ '000	2024	2023
Provisions – employees benefits	33,335	31,109
	<b>33,335</b>	<b>31,109</b>

#### Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

#### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

### C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Self insurance – workers compensation	3,334	8,798	2,403	8,714
Self insurance – public liability	2,377	–	1,088	–
Self insurance – other	2	–	17	–
Payroll tax	531	–	424	–
Asset remediation/restoration	3,977	78,025	2,736	76,200
<b>Total provisions</b>	<b>10,221</b>	<b>86,823</b>	<b>6,668</b>	<b>84,914</b>

#### Movements in provisions

continued on next page ...

Page 48 of 93

**C3-5 Provisions (continued)**

\$ '000	Self insurance	Asset remediation	Payroll Tax and Other	Total
<b>2024</b>				
At beginning of year	12,222	78,936	424	91,582
Changes to provision:				
– Amounts capitalised	–	1,500	–	1,500
– Revised discount rate	–	(1,747)	–	(1,747)
– Revised costs	–	1,482	–	1,482
Unwinding of discount	–	2,797	–	2,797
Additional provisions	6,294	–	2,395	8,689
Amounts used (payments)	(4,005)	(966)	(2,288)	(7,259)
<b>Total</b>	<b>14,511</b>	<b>82,002</b>	<b>531</b>	<b>97,044</b>
<b>2023</b>				
At beginning of year	9,462	74,578	1,745	85,785
Changes to provision:				
– Amounts capitalised	–	923	–	923
– Revised discount rate	–	5	–	5
– Revised costs	–	733	–	733
Unwinding of discount	–	2,533	–	2,533
Additional provisions	8,894	–	–	8,894
Amounts used (payments)	(6,134)	(660)	1,908	(4,886)
Other	–	824	(3,229)	(2,405)
<b>Total</b>	<b>12,222</b>	<b>78,936</b>	<b>424</b>	<b>91,582</b>

**Nature and purpose of provisions****Asset remediation**

The asset remediation provision represents the present value estimate of future costs that Council will incur to restore, rehabilitate and reinstate tips as a result of past operations.

**Self-insurance**

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

**Payroll tax and other**

To recognise liabilities for miscellaneous employee provisions not relating to leave entitlements and outstanding payroll tax arising from Council's water, sewer, cemetery and parking station activities.

**Material accounting policy information**

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

**Asset remediation - tips**

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production

### C3-5 Provisions (continued)

rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

#### Self-insurance

Council has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3.

Self Insurance Provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council being a self insurer for Workers Compensation Claims.

Public Liability and Professional Indemnity claims are expensed as they meet the recognition criteria as set out in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

- A wage inflation index was used for future claims escalation. A bond yield of between 0.850% and 3.845% per annum over a 50 year period.
- All monetary amounts for past Workers Compensation claims were indexed to bring them to 'standardised' values at 30 June 2024.
- Workers Compensation claim payments projected into the future by the adopted actuarial model are in 'standardised' values as at 30 June 2024.

The last actuarial assessment of Workers Compensation Claims was undertaken in July 2024 and was performed by David A Zaman Pty Ltd. Director David Zaman, BSc, FIA, FIAA, MBA.

## C4 Reserves

### C4-1 Nature and purpose of reserves

---

#### **IPPE Revaluation reserve**

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

**D Council structure****D1 Results by fund**

General fund refers to all Council activities other than water, sewer, drainage and domestic waste. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water, sewer, drainage and domestic waste columns are restricted for use for these activities.

**D1-1 Income Statement by fund**

<b>\$ '000</b>	<b>Drainage 2024</b>	<b>Domestic Waste 2024</b>	<b>General 2024</b>	<b>Water 2024</b>	<b>Sewer 2024</b>
<b>Income from continuing operations</b>					
Rates and annual charges	20,394	77,983	214,915	34,673	73,563
User charges and fees	—	65	72,876	71,962	24,507
Interest and investment income	306	368	27,672	1,914	7,988
Other revenues	10	(9)	16,999	128	1,201
Grants and contributions provided for operating purposes	4,584	—	47,922	131	173
Grants and contributions provided for capital purposes	7,742	—	80,333	6,243	12,848
Net gains from disposal of assets	—	—	(602)	602	—
Other income	—	—	16,131	—	—
<b>Total income from continuing operations</b>	<b>33,036</b>	<b>78,407</b>	<b>476,246</b>	<b>115,653</b>	<b>120,280</b>
<b>Expenses from continuing operations</b>					
Employee benefits and on-costs	2,703	867	155,862	17,053	18,074
Borrowing costs	395	—	3,341	7,072	1,658
Materials and services	13,795	57,709	68,964	38,980	42,165
Depreciation, amortisation and impairment of non-financial assets	14,041	—	102,936	38,311	42,007
Other expenses	1	16,373	26,443	31	248
Net losses from the disposal of assets	1,103	—	4,515	534	2,675
<b>Total expenses from continuing operations</b>	<b>32,038</b>	<b>74,949</b>	<b>362,061</b>	<b>101,981</b>	<b>106,827</b>
<b>Operating result from continuing operations</b>	<b>998</b>	<b>3,458</b>	<b>114,185</b>	<b>13,672</b>	<b>13,453</b>
<b>Net operating result for the year attributable to Council</b>	<b>998</b>	<b>3,458</b>	<b>114,185</b>	<b>13,672</b>	<b>13,453</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(6,744)</b>	<b>3,458</b>	<b>33,868</b>	<b>7,429</b>	<b>605</b>



Central Coast Council | Notes to the Financial Statements 30 June 2024

**D1-2 Statement of Financial Position by fund**

<b>\$ '000</b>	<b>Drainage 2024</b>	<b>Domestic Waste 2024</b>	<b>General 2024</b>	<b>Water 2024</b>	<b>Sewer 2024</b>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	532	5,980	104,713	3,200	8,509
Investments	4,946	55,635	87,496	29,772	79,171
Receivables	2,406	5,178	35,795	29,182	17,026
Inventories	—	—	1,588	—	—
Other	—	—	5,916	128	127
Non-current assets classified as held for sale	—	—	18,590	—	480
<b>Total current assets</b>	<b>7,884</b>	<b>66,793</b>	<b>254,098</b>	<b>62,282</b>	<b>105,313</b>
<b>Non-current assets</b>					
Investments	95	54,543	285,835	547	78,734
Receivables	1	2	(6,069)	27	8,409
Infrastructure, property, plant and equipment	1,320,323	—	4,334,840	1,535,869	1,728,872
Intangible assets	—	—	16,465	—	—
Right of use assets	—	—	4,228	359	359
Other	—	—	428	—	(1)
<b>Total non-current assets</b>	<b>1,320,419</b>	<b>54,545</b>	<b>4,635,727</b>	<b>1,536,802</b>	<b>1,816,373</b>
<b>Total assets</b>	<b>1,328,303</b>	<b>121,338</b>	<b>4,889,825</b>	<b>1,599,084</b>	<b>1,921,686</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables	1,585	7,930	72,007	9,486	7,254
Contract liabilities	1,040	—	26,186	108	4,975
Borrowings	26,269	—	(23,232)	13,711	3,458
Lease liabilities	—	—	249	115	115
Employee benefit provisions	95	181	48,045	5,591	4,979
Provisions	—	—	8,871	649	701
<b>Total current liabilities</b>	<b>28,989</b>	<b>8,111</b>	<b>132,126</b>	<b>29,660</b>	<b>21,482</b>
<b>Non-current liabilities</b>					
Contract liabilities	567	—	1,338	2,255	5,383
Lease liabilities	—	—	4,677	319	319
Borrowings	6,291	—	24,063	112,977	28,083
Provisions	—	—	84,941	1,199	683
<b>Total non-current liabilities</b>	<b>6,858</b>	<b>—</b>	<b>115,019</b>	<b>116,750</b>	<b>34,468</b>
<b>Total liabilities</b>	<b>35,847</b>	<b>8,111</b>	<b>247,145</b>	<b>146,410</b>	<b>55,950</b>
<b>Net assets</b>	<b>1,292,456</b>	<b>113,227</b>	<b>4,642,680</b>	<b>1,452,674</b>	<b>1,865,736</b>
<b>EQUITY</b>					
Accumulated surplus	1,023,881	113,227	3,805,199	974,842	1,538,362
IPPE revaluation reserves	268,575	—	837,481	477,832	327,374
<b>Total equity</b>	<b>1,292,456</b>	<b>113,227</b>	<b>4,642,680</b>	<b>1,452,674</b>	<b>1,865,736</b>

**D1-3 Details of internal loans**

	Council ID / Ref 2013 GF-WF	Council ID / Ref 2015 SF-WF	Council ID / Ref 2015 GF-WF
<b>Details of individual internal loans</b>			
Borrower (by purpose)	Water Fund	Water Fund	Water Fund
Lender (by purpose)	General Fund	Sewer Fund	General Fund
Date of Minister's approval	N/A	27/05/2015	N/A
Date raised	30/06/2013	27/05/2015	31/05/2015
Term years	20	20	20
Dates of maturity	30/06/2033	21/02/2035	26/05/2035
Rate of interest (%)	6.13	6.13	6.13
Amount originally raised	20,000,000	10,000,000	10,000,000
Total repaid during year (principal and interest) (\$'000)	1,719,279	863,749	863,411
<b>Principal outstanding at end of year (\$'000)</b>	<b>11,825,018</b>	<b>6,763,818</b>	<b>6,871,716</b>

	Council ID / Ref 2023 GF-DF	Council ID / Ref 2024 GF-DF
<b>Details of individual internal loans</b>		
Borrower (by purpose)	Drainage Fund	Drainage Fund
Lender (by purpose)	General Fund	General Fund
Date of Minister's approval	N/A	N/A
Date raised	30/06/2022	30/06/2023
Term years	1	1
Dates of maturity	30/06/2023	30/06/2024
Rate of interest (%)	Nil	Nil
Amount originally raised	25,702,956	25,702,956
Total repaid during year (principal and interest) (\$'000)	25,702,956	0
<b>Principal outstanding at end of year (\$'000)</b>	<b>0</b>	<b>25,702,956</b>

## D2 Interests in other entities

### D2-1 Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described below.

Name of Operation/Entity	Principal activity				
<b>The Art House, Wyong Shire Performing Arts and Conference Centre Limited</b>	Operations undertaken - Performing Arts Place of business - 19-21 Margaret Street, Wyong				

Interests in Subsidiary	Ownership 2024	Ownership 2023	Principal place of business	Voting rights 2024	Voting rights 2023
Council's interest in Subsidiary	100%	100%		100%	100%

#### The nature of risks associated with Council's interests in the Subsidiary

The Art House is managed by an independent Incorporated Association with Council as a board member via a funding agreement with Council. The Art House delivers its services through a formal agreement with Council. This provides The Art House with the required autonomy and sector peer involvement to service the creative, media and business sectors as well as deliver a creative entertainment program for local, regional and national markets. Its performance is monitored via clear Key Performance Indicators (KPIs). Business Plan targets are reported to Council as required.

Council does not control the Art House or its activities, however through Board representation, Council does have significant influence over the Art House's relevant activities.

Council provided financial support of \$1.16M during the financial year (\$1.0M indexed per annum for ten years from 2015/16 onwards).

#### Reporting dates of Subsidiary

The Art House prepares audited financial statements on a calendar year basis.

### Summarised financial information for the Subsidiary

\$ '000	2024	2023
<b>Summarised statement of comprehensive income</b>		
Revenue	3,006	3,069
Expenses	(3,242)	(3,110)
<b>Profit/(loss) for the period</b>	<b>(236)</b>	<b>(41)</b>
<b>Total comprehensive income</b>	<b>(236)</b>	<b>(41)</b>
<b>Summarised statement of financial position</b>		
Current assets	1,705	1,518
Non-current assets	26	43
<b>Total assets</b>	<b>1,731</b>	<b>1,561</b>
Current liabilities	1,258	866
Non-current liabilities	46	32
<b>Total liabilities</b>	<b>1,304</b>	<b>898</b>
<b>Net assets</b>	<b>427</b>	<b>663</b>

Central Coast Council | Notes to the Financial Statements 30 June 2024

## D2-1 Subsidiaries (continued)

\$ '000	2024	2023
<b>Summarised statement of cash flows</b>		
Cash flows from operating activities	220	(435)
Cash flows from investing activities	30	(30)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>250</b>	<b>(465)</b>

### Material accounting policy information

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with s625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance team under policies approved by Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers before placing any cash and investments.

#### (a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	7,729	7,606
Impact of a 10% movement in price of investments		
– Equity / Income Statement	77,288	76,056

## E1-1 Risks relating to financial instruments held (continued)

### (b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

### Credit risk profile

#### Receivables - Rates and Annual Charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet due	Overdue rates and charges		Total
		< 5 years	> 5 years	
<b>2024</b>				
Gross carrying amount	7,383	22,388	–	29,771
<b>2023</b>				
Gross carrying amount	6,050	18,730	673	25,453

#### Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet due	Overdue debts				Total
		< 30 days	31 - 60 days	61 - 90 days	> 90 days	
<b>2024</b>						
Gross carrying amount	(18,470)	13,746	10,482	1,615	58,098	65,471
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	5.65%	5.01%
ECL provision	–	–	–	–	3,285	3,285
<b>2023</b>						
Gross carrying amount	21,540	1,316	1,265	979	43,344	68,444
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	9.21%	5.83%
ECL provision	–	–	–	–	3,992	3,992

## E1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash outflows	Carrying values
<b>2024</b>						
Payables	0.00%	71,271	26,990	–	98,261	98,262
Borrowings	3.99%	28,682	104,657	122,011	255,350	191,620
<b>Total financial liabilities</b>		<b>99,953</b>	<b>131,647</b>	<b>122,011</b>	<b>353,611</b>	<b>289,882</b>
<b>2023</b>						
Payables	0.00%	63,230	25,544	–	88,774	88,774
Borrowings	3.42%	113,294	108,575	130,409	352,278	285,864
<b>Total financial liabilities</b>		<b>176,524</b>	<b>134,119</b>	<b>130,409</b>	<b>441,052</b>	<b>374,638</b>

## E2-1 Fair value measurement

---

Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Financial assets

During the reporting period Council has also measured the following assets at fair value on a non-recurring basis:

- Non-current assets classified as held for sale

Where the carrying value of a non-current asset held for sale was higher than its fair value, the asset was written down to fair value.

### **Fair value hierarchy**

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:



Central Coast Council | Notes to the Financial Statements 30 June 2024

**E2-1 Fair value measurement (continued)**

		Fair value measurement hierarchy							
\$ '000	Notes	Level 1 Quoted prices in active mkt		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total <sup>1</sup>	
		2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
At fair value through profit or loss		501,774	446,033	—	—	—	—	501,774	446,033
Total financial assets		501,774	446,033	—	—	—	—	501,774	446,033
Infrastructure, property, plant and equipment									
	C1-8								
Plant and equipment		—	—	—	—	59,213	52,075	59,213	52,075
Office equipment		—	—	—	—	3,376	4,367	3,376	4,367
Furniture and fittings		—	—	—	—	9,738	7,835	9,738	7,835
Operational land		—	—	—	—	456,644	475,202	456,644	475,202
Crown and Community land		—	—	—	—	561,180	566,201	561,180	566,201
Land under Roads		—	—	—	—	2,698	2,561	2,698	2,561
Land improvements – depreciable		—	—	—	—	18,925	17,882	18,925	17,882
Buildings – specialised		—	—	—	—	588,221	574,646	588,221	574,646
Other structures		—	—	—	—	9,653	8,876	9,653	8,876
Roads		—	—	—	—	1,718,416	1,620,632	1,718,416	1,620,632
Bridges		—	—	—	—	55,281	51,231	55,281	51,231
Footpaths		—	—	—	—	182,575	164,251	182,575	164,251
Bulk earthworks – non depreciable		—	—	—	—	415,763	401,736	415,763	401,736
Stormwater drainage		—	—	—	—	1,291,518	1,244,577	1,291,518	1,244,577
Water supply network		—	—	—	—	1,418,827	1,376,547	1,418,827	1,376,547
Sewerage network		—	—	—	—	1,613,633	1,535,403	1,613,633	1,535,403
Swimming pools		—	—	—	—	7,580	7,320	7,580	7,320
Other open space/recreational assets		—	—	—	—	185,831	162,352	185,831	162,352
Other infrastructure		—	—	—	—	34,893	36,659	34,893	36,659
Library books		—	—	—	—	1,982	1,832	1,982	1,832
Other		—	—	—	—	3,905	4,029	3,905	4,029
Tip assets		—	—	—	—	28,916	30,702	28,916	30,702
Total infrastructure, property, plant and equipment	C1-8	—	—	—	—	8,668,768	8,346,916	8,668,768	8,346,916
Non-recurring fair value measurements									
Non-current assets held for sale									
	C1-7								
Land		—	—	12,309	13,915	—	—	12,309	13,915
Buildings		—	—	6,762	6,762	—	—	6,762	6,762
Plant		—	—	—	—	—	—	—	—
Total non-recurring fair value measurements		—	—	19,071	20,677	—	—	19,071	20,677

## E2-1 Fair value measurement (continued)

### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are based on the valuation techniques employed by the former Councils.

### Infrastructure, property, plant and equipment (IPPE)

#### Plant and equipment, office equipment, furniture and fittings

Plant and equipment, office equipment, furniture and fittings assets are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. Therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- plant and equipment
  - o Major plant items – tractors, excavators, street sweepers, tippers, rollers, forklifts, backhoes, beach cleaners and weed harvester
  - o Minor plant items – generators, mowers, trailers, chainsaws, wood chippers and power hand tools
  - o Fleet vehicles – trucks, commercial vehicles and passenger vehicles
- office equipment – computer hardware, communications equipment, digital cameras, photocopiers
- furniture and fittings – work stations, storage cabinets, CCTV, air conditioning units.

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

Council reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

#### Operational land

This asset class is comprised of all Council's land classified as Operational Land under the *Local Government Act 1993*. Council's accounting policy is to value the freehold land at market value basis.

Council engaged Scott Fullarton Valuation Pty Ltd to value operational land in 2023. The land was valued using level 3 inputs that would be taken into account by buyers and sellers in setting the price, including but not limited to dimensions, land use and zoning, exposure to traffic and topography.

This asset class was assessed fair value at 30 June 2024 using the movement in NSW Valuer General's valuations. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

#### Crown and Community land

Community Land assets are comprised of Council owned land classified as Community Land under the *Local Government Act 1993*. Crown land is under the care and management of Council on behalf of the Crown.

Council's accounting policy is to value Crown and Community land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location).

These are considered level 3 observable inputs.

Crown and Community land have been valued at 30 June 2024 using the VG valuations for 2023-2024.

#### Land under roads

Land under roads consists of land under roadways and road reserves including land under footpaths, nature strips and median strips as per AASB 1051. Council has elected not to recognise as an asset land under roads acquired before 1 July 2008.

Land under roads acquired since 1 July 2008 has been recognised in accordance with AASB 116 Property, Plant and Equipment. Where Council has acquired land under roads it is recognised at cost where the cost represents fair value. Where the land under roads is dedicated or acquired at nominal value the land is recognised at its fair value.

## E2-1 Fair value measurement (continued)

Land under roads has been valued at 30 June 2024 using the Englobo method (which is a discounted method) and VG valuations published on 1 July 2022. This asset class is classified as Level 2 as significant inputs used are observable.

There has been no change to the valuation process during the reporting period.

### Land improvements

This asset class is comprised of landscaping, estuary protection works, access works, water features and paved public areas.

This asset class is classified as Level 3 as significant inputs used in the valuation are unobservable.

Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

### Buildings – specialised

It is Council's accounting policy to value buildings for which a market exists using the best estimate of the price reasonably obtainable in the market at the date of valuation. Where there is no depth in market the buildings will be determined on the depreciated current replacement cost basis.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting equipment, and general lighting). The buildings and site improvements will be physically inspected and measured.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

Council engaged Scott Fullarton Valuation Pty Ltd to value all buildings in 2023. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account Council's asset management practices.

Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other outputs (such as estimates of residual value, useful life, asset condition and componentisation including the split between short and long life components) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, this asset class has been valued utilising Level 3 inputs.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Non-residential construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### Other structures

This asset class is comprised of holiday park structures, cemetery assets, water tanks, fountains, fencing and structures which do not meet the definition of a building and are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

The replacement cost approach will be utilised to value other structures. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

There has been no change to the valuation process during the reporting period.

### Roads

This asset class is comprised of the road carriageway, car parks, and other road related assets. Council's roads are separated into segments for inspection and valuation and componentised into the surface, sub-base, base and associated earthworks. Other road related assets include bus shelters, footpaths, guard rails, speed humps, kerb and gutter, medians, pedestrian refuges and roundabouts.

Council engaged Morrison Low to value all Roads Infrastructure assets at 30 June 2022. The gross replacement cost for each asset was calculated using the current replacement cost approach.

Unit rates were developed for each road classification and traffic volume, based on data available including the cost to construct similar assets from actual contract rates and industry unit rates. Some of the other significant inputs are remaining useful life, pattern of consumption, dimensions and road classification.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Roads and Bridges Construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

## E2-1 Fair value measurement (continued)

### **Bridges**

This asset class is comprised of road and foot bridges.

Council engaged Morrison Low to value all bridges at 30 June 2022. The gross replacement cost for each asset was calculated using the current replacement cost approach.

Bridges are assessed by physical inspection in accordance with Roads and Maritime Services guidelines. Condition information is updated as changes are observed through regular inspections.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Roads and Bridges Construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### **Footpaths**

This asset class is comprised of pedestrian walkways and cycle ways (shared paths).

Council engaged Morrison Low to value all footpaths as at 30 June 2022. The gross replacement cost for each asset was calculated using the replacement cost approach.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Roads and Bridges Construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### **Bulk earthworks (non-depreciable)**

This asset class contains the formation costs for roads and buildings. Buildings and sporting facilities are recognised and valued at cost and Council assumes that the carrying amount reflects the fair value of these assets.

This asset class has been recognised as non-depreciable as it is not expected that bulk earthworks will need to be renewed during the normal operational use of the assets.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Other Heavy & Civil Construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### **Stormwater drainage**

The Stormwater drainage asset class consists of Council's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps.

Council engaged Morrison Low to value all drainage assets as at 30 June 2022. The gross replacement cost for each asset was calculated using the replacement cost approach. The gross replacement cost for each asset was calculated using the current replacement cost approach.

Significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Other Heavy and civil engineering construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### **Water supply network**

This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

Council engaged external consultants GHD, to undertake the valuation of all water supply infrastructure assets at 30 June 2021. The gross replacement cost for each asset was calculated using the current replacement cost approach. Significant inputs considered in the valuation of these assets are remaining useful life, asset condition, unit rates and pattern of consumption.

## E2-1 Fair value measurement (continued)

There has been no change to the valuation process during the reporting period.

This asset class was indexed at 30 June 2024 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

### **Sewerage network**

This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

Council engaged external consultants GHD, to undertake the valuation of all sewerage network assets at 30 June 2021. The gross replacement cost for each asset was calculated using the current replacement cost approach. Significant inputs considered in the valuation of these assets are remaining useful life, asset condition, unit rates and pattern of consumption.

This asset class was indexed at 30 June 2024 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

### **Swimming pools**

Assets within this class are comprised of ocean baths, swimming pools and associated structures.

Council engaged Scott Fullarton Valuations Pty Ltd to undertake a comprehensive valuation of this asset class in 2022.

The gross replacement cost approach was utilised to value this asset class. This approach estimates the gross replacement cost based on current replacement cost approach. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Non-residential construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### **Other open space/recreational assets**

This asset class is comprised of life guard towers, tennis courts, athletics tracks, picnic shelters, playground equipment, skate parks, fencing and sporting facilities.

Council engaged Scott Fullarton Valuations to value Open Space and Recreational assets as at 30 June 2022. This asset class was valued using the current replacement cost approach.

Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition. Asset conditions are determined by field inspections using ratings of 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Non-residential construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### **Library books**

Assets included in this asset class consist of library books, journals, magazines, CDs and DVDs which are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. There are no major variances between the fair value and carrying amount of these assets and these assets are disclosed at fair value in the notes.

Whilst these assets are recognised at cost with supporting supplier invoices (observable input) the remaining significant inputs (useful life, pattern of consumption and asset condition) are unobservable and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

### **Other assets**

Other assets include miscellaneous assets which are recognised and valued at cost including the Heritage Collection which comprises artwork and sculptures. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

## E2-1 Fair value measurement (continued)

---

The replacement cost or insured value approach will be utilised to value other assets. Significant unobservable inputs considered in the valuation of these assets are useful life, pattern of consumption and asset condition and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

### **Tip asset**

This asset class includes the tip cells at Council's Waste Facilities which is recognised and valued at cost.

Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the item.

Significant unobservable inputs considered in the valuation of these assets are useful life and pattern of consumption and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

## E2-1 Fair value measurement (continued)

### Fair value measurements using significant unobservable inputs (level 3)

#### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>		
Plant and equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Furniture and fittings	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational land	Market value	The market value of land varies significantly depending on the location of the land and current market conditions.
Crown and Community land	Market approach. Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Land under Roads	Market-based direct comparison	Extent and impact of use, market cost of land per square metre, restrictions
Land improvements	Cost approach	Pattern of consumption, useful life and residual value
Buildings	Market / cost approach	Current replacement cost of equivalent asset using componentisation, asset condition, remaining life and residual value.
Other structures	Cost approach	Useful life, pattern of consumption and asset condition
Roads	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bridges	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Footpaths	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bulk earthworks	Cost approach	Useful life, pattern of consumption and asset condition
Stormwater drainage	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Water supply network	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Sewerage network	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Swimming pools	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Open space / recreational	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives

Central Coast Council | Notes to the Financial Statements 30 June 2024

### E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Other infrastructure	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Library books	Cost approach	Useful life, pattern of consumption and asset condition
Other	Cost approach	Useful life, pattern of consumption and asset condition
Tip assets	Cost approach	Pattern of consumption and useful life



Central Coast Council | Notes to the Financial Statements 30 June 2024

**E2-1 Fair value measurement (continued)**

**A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:**

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>52,075</b>	44,054	<b>4,367</b>	6,557	<b>7,834</b>	8,638	<b>475,202</b>	554,008
Transfers from/(to) another asset class	–	1,249	–	–	–	460	(9,518)	(9,049)
Purchases (GBV)	<b>17,915</b>	16,077	<b>675</b>	89	<b>3,508</b>	99	–	–
Disposals (WDV)	<b>(2,878)</b>	(1,673)	–	(4)	<b>(16)</b>	(47)	–	(2,009)
Depreciation and impairment	<b>(7,894)</b>	(7,632)	<b>(1,666)</b>	(2,275)	<b>(1,590)</b>	(1,313)	–	–
Revaluation decrements to Income Statement	–	–	–	–	–	(3)	–	–
Revaluation increments / (decrements) to Equity (ARR)	–	–	–	–	–	–	<b>(9,040)</b>	(67,748)
<b>Closing balance</b>	<b>59,218</b>	<b>52,075</b>	<b>3,376</b>	<b>4,367</b>	<b>9,736</b>	<b>7,834</b>	<b>456,644</b>	<b>475,202</b>

\$ '000	Crown and Community land		Land under Roads		Land improvements		Buildings	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>566,201</b>	564,916	<b>2,561</b>	2,149	<b>17,882</b>	17,798	<b>574,646</b>	528,187
Transfers from/(to) another asset class	<b>9,118</b>	2,599	<b>137</b>	412	–	–	<b>41</b>	5,864
Purchases (GBV)	–	7,109	–	–	<b>984</b>	–	<b>17,997</b>	–
Disposals (WDV)	<b>(2,712)</b>	(8,377)	–	–	–	–	<b>(283)</b>	(1,372)
Depreciation and impairment	–	–	–	–	<b>(1,171)</b>	(1,018)	<b>(18,720)</b>	(14,748)
Revaluation decrements to Income Statement	–	–	–	–	–	1,102	–	24
Revaluation increments / (decrements) to Equity (ARR)	<b>(11,427)</b>	(46)	–	–	<b>1,230</b>	–	<b>14,539</b>	56,691
<b>Closing balance</b>	<b>561,180</b>	<b>566,201</b>	<b>2,698</b>	<b>2,561</b>	<b>18,925</b>	<b>17,882</b>	<b>588,220</b>	<b>574,646</b>

\$ '000	Other structures		Roads		Bridges		Footpaths	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>8,875</b>	6,629	<b>1,620,630</b>	1,499,567	<b>51,231</b>	42,721	<b>164,251</b>	151,802
Transfers from/(to) another asset class	<b>(250)</b>	1,426	<b>(4,592)</b>	74,506	–	6,557	<b>7,265</b>	6,365
Purchases (GBV)	<b>1,668</b>	1,329	<b>64,407</b>	8,090	<b>2,286</b>	–	<b>5,723</b>	1,076
Disposals (WDV)	–	(20)	<b>(3,511)</b>	(5,847)	<b>(154)</b>	(50)	<b>(111)</b>	(528)
Depreciation and impairment	<b>(641)</b>	(489)	<b>(43,890)</b>	(38,191)	<b>(900)</b>	(855)	<b>(3,860)</b>	(3,549)
Revaluation increments / (decrements) to Equity (ARR)	–	–	<b>85,372</b>	82,505	<b>2,817</b>	2,858	<b>9,304</b>	9,085
<b>Closing balance</b>	<b>9,652</b>	<b>8,875</b>	<b>1,718,416</b>	<b>1,620,630</b>	<b>55,280</b>	<b>51,231</b>	<b>182,572</b>	<b>164,251</b>

Central Coast Council | Notes to the Financial Statements 30 June 2024

**E2-1 Fair value measurement (continued)**

\$ '000	Bulk earthworks		Stormwater drainage		Water supply network		Sewerage network	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>401,736</b>	380,982	<b>1,244,576</b>	1,179,217	<b>1,376,546</b>	1,302,788	<b>1,535,405</b>	1,433,958
Transfers from/(to) another asset class	322	544	18,354	9,032	11,526	8,366	43,874	23,549
Purchases (GBV)	579	855	3,323	10,223	415	3,225	749	5,827
Disposals (WDV)	–	(104)	(1,396)	(329)	(519)	(1,374)	(2,489)	(791)
Depreciation and impairment	–	–	(14,114)	(13,420)	(37,605)	(34,669)	(41,221)	(36,411)
Revaluation increments / (decrements) to Equity (ARR)	13,126	19,459	40,774	59,853	68,464	98,210	77,316	109,273
<b>Closing balance</b>	<b>415,763</b>	401,736	<b>1,291,517</b>	1,244,576	<b>1,418,827</b>	1,376,546	<b>1,613,634</b>	1,535,405

\$ '000	Swimming pools		Open space / recreational		Other infrastructure		Library books	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>7,320</b>	7,412	<b>162,352</b>	154,001	<b>36,659</b>	33,664	<b>1,833</b>	1,790
Transfers from/(to) another asset class	(41)	–	–	113	(2,422)	2,724	–	–
Purchases (GBV)	407	–	7,176	12,990	441	51	890	813
Disposals (WDV)	–	–	(473)	(184)	–	–	–	–
Depreciation and impairment	(599)	(544)	(13,187)	(12,051)	(2,052)	(1,908)	(741)	(770)
Revaluation increments / (decrements) to Equity (ARR)	493	452	29,967	7,483	2,267	2,128	–	–
<b>Closing balance</b>	<b>7,580</b>	7,320	<b>185,835</b>	162,352	<b>34,893</b>	36,659	<b>1,982</b>	1,833

\$ '000	Other		Tip assets		Total	
	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>4,029</b>	3,899	<b>30,702</b>	22,530	<b>8,346,913</b>	7,947,267
Transfers from/(to) another asset class	–	275	–	–	73,814	134,992
Purchases (GBV)	53	–	1,786	10,877	130,982	78,730
Disposals (WDV)	(2)	–	–	–	(14,544)	(22,709)
Depreciation and impairment	(175)	(145)	(3,577)	(2,705)	(193,603)	(172,693)
Revaluation decrements to Income Statement	–	–	–	–	–	1,123
Revaluation increments / (decrements) to Equity (ARR)	–	–	–	–	325,202	380,203
<b>Closing balance</b>	<b>3,905</b>	4,029	<b>28,911</b>	30,702	<b>8,668,764</b>	<b>8,346,913</b>

**Highest and best use**

The following non-financial assets of Council are being utilised for purposes that do not generate commercial revenues:

**Community based assets**

Council undertakes a number of services with a strong focus of providing community benefits to its constituents. These services are based on meeting essential community needs and are not of a nature that would be provided in a commercially competitive environment.

Crown land under Council's care and control as well as Council-owned land that has been classified as community land under the provisions of the *Local Government Act 1993*.

Futhermore, Council has a number of buildings that are applied in delivering community services. The restrictions on the land and the community use of the buildings in delivering community based services is considered to be the "highest and best use" of those assets to Council.

## E3-1 Contingencies

The following liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

### CONTINGENT LIABILITIES

#### 1. Guarantees

##### (i) Defined benefit plan

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

##### *Description of the funding arrangements.*

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working lifetime of a typical new entrant is calculated. The current future service employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

\* For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation, and monitored annually between triennials.

##### *Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan*

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

### E3-1 Contingencies (continued)

The amount of employer contributions to the defined benefit section of the Scheme and recognised as an expense for the year ending 30 June 2024 was \$1,051,672.31. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2023.

Council's expected contribution to the plan for the next annual reporting period is \$700,245.00.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2024 is:

<b>Employer reserves only *</b>	<b>\$millions</b>	<b>Asset Coverage</b>
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

\* excluding member accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 3.66%.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	3.5% for FY 23/24 2.5% per annum thereafter

\* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the pooled employers.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2024.

#### (ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

#### (iii) Other guarantees

Council has provided no other guarantees other than those listed above.

### 2. Other liabilities

#### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

#### Contaminated lands

Council is required by law to remediate its contaminated sites. The projected costs associated with this remediation are provided for within the financial statements at Note C3-5 and are based on certain estimates and assumptions. Prior to remediation

### E3-1 Contingencies (continued)

works being carried out, monitoring works are required to manage site risks while post remediation there is a period of validation to ensure that the remediation has been successful. These costs are included within the projections provided for within the financial statements at Note C3-5. Post remediation and validation, Council will continue to monitor each site for at least an additional 10 years. This monitoring will vary between each site and cannot be reliably estimate at this time however may approximate \$1,030,985.01. This estimate is based on the actual contract rates for monitoring the former landfill sites for 2024-25 of \$103,098.50 multiplied by 10 years.

#### Waste Remediation

In 2018-2019 Council made notifications to the NSW Environmental Protection Authority (NSW EPA) under Section 60 of the Contaminated Land Management Act 1997 for six retired landfill sites. In March 2020 Council was advised that three of these sites (Hylton Moore Oval, Frost Reserve and Adcock Park) are significant enough to warrant regulation under the Contaminated Land Management Act 1997. In August 2020 the NSW EPA approved Council's Voluntary Management Proposals for each of these three sites. In 2020-2021 the community consultation plans and site management plans were completed. In 2022 detailed site investigations commenced and Human Health and Ecological Risk Assessments and Landfill Gas Risk Assessments were completed in August 2023. Further investigation works needs to be completed before the Remedial Options Assessment and individual Remedial Action Plans identifying any remedial works that may be required to address the potential impact to the environment and public health are scheduled for completion in 2025. The estimated cost to complete the environmental investigations, development of the Remedial Options Assessments, and individual Remedial Action Plans and their review by a NSW EPA accredited contaminated site auditor across all three sites is an additional \$3,410,194.00 and this has been fully provided for within the financial statements at Note C3-5. At this stage there is no reliable way to estimate the cost of any further remediation activities that may be required at these three sites.

#### Legal Expenses

The Council is a party to a number of legal proceedings in various jurisdictions. All known costs have been recognised, however as the various legal proceedings are still in progress, it is difficult to estimate the ultimate financial impact. For example, legal costs that the Council may be awarded, or ordered to pay; and other financial penalties that may be imposed, subject to the powers of the Court or Tribunal in the relevant jurisdiction. Council estimates that there may be approximately \$1,350,000 of legal expenses in 2024-25, based on advice received from Legal Counsels.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2024	2023
Compensation:		
Short-term benefits	2,716	2,127
Other long-term benefits	332	339
Total	3,048	2,466

## F1-2 Councillor, Mayoral and Administrator fees and associated expenses

	2024	2023 Restated
<b>\$ '000</b>		
The aggregate amount of Councillor, Mayoral and Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:		
Administrator fees and expenses	387	386
<b>Total</b>	<b>387</b>	<b>386</b>

**F1-3 Other related parties**

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
<b>2024</b>						
Funding and in-kind support services 2023	1	1,163	–	Funding and support services provided in line with the funding agreement	–	–
Funding and in-kind support services	1	1,051	–	Funding and support services provided in line with the funding agreement	–	–
1	The former Wyong Shire Council entered into a funding and service level agreement with The Art House, Wyong Shire Performing Arts and Conference Centre Limited in 2016 to provide funding and in-kind services.					



Central Coast Council | Notes to the Financial Statements 30 June 2024

## F2 Other relationships

### F2-1 Audit fees

	2024	2023 Restated
<b>\$ '000</b>		

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

#### **Auditors of the Council - NSW Auditor-General:**

##### **(i) Audit and other assurance services**

Audit and review of financial statements <sup>1</sup>

	573	848
<b>Total Auditor-General remuneration</b>	<b>573</b>	<b>848</b>

#### **Non NSW Auditor-General audit firms**

##### **(i) Audit and other assurance services**

Other audit and assurance services

	138	236
<b>Remuneration for audit and other assurance services</b>	<b>138</b>	<b>236</b>

##### **(ii) Non-assurance services**

Other services

	—	24
<b>Total audit fees</b>	<b>711</b>	<b>1,108</b>

<sup>(1)</sup> Total disclosed in current year largely relates to prior year external audit fees.

**G Other matters****G1-1 Statement of Cash Flows information****(a) Reconciliation of Operating Result**

\$ '000	2024	2023 Restated
<b>Net operating result from Income Statement <sup>1</sup></b>	<b>145,766</b>	162,527
<b>Add / (less) non-cash items:</b>		
Depreciation, amortisation and impairment	197,295	177,021
(Gain) / loss on disposal of assets	8,827	9,408
Non-cash capital grants and contributions <sup>1</sup>	(19,417)	(50,990)
Investments classified as 'at fair value'	(4,799)	(2,415)
Impairment of assets	–	(2,093)
Unwinding of discount rates on reinstatement provisions	1,050	2,538
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	1,348	(23,364)
Increase / (decrease) in provision for impairment of receivables	(705)	790
(Increase) / decrease of inventories	5	(84)
(Increase) / decrease of other current assets	(10)	(2,117)
Increase / (decrease) in payables	(1,008)	3,943
Increase / (decrease) in other accrued expenses payable	9,336	4,622
Increase / (decrease) in other liabilities	1,238	(2,989)
Increase / (decrease) in contract liabilities	1,987	15,269
Increase / (decrease) in employee benefit provision	913	4,645
Increase / (decrease) in other provisions	4,412	3,259
<b>Net cash provided from operating activities</b>	<b>346,238</b>	<b>299,970</b>

(1) Restated 2022-23

**(b) Non-cash financing and investing activities**

Other dedications <sup>1</sup>	12,981	49,495
<b>Total non-cash financing and investing activities</b>	<b>12,981</b>	<b>49,495</b>

(1) Restated 2022-23

Central Coast Council | Notes to the Financial Statements 30 June 2024

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Plant and equipment	7,463	9,143
Land and buildings	30,075	3,661
Technology	—	45
Tip assets	3,029	2,328
Stormwater Management infrastructure	3,365	913
Open Space infrastructure	4,147	3,439
Road infrastructure	36,505	23,290
Sewerage and water infrastructure	95,477	41,196
<b>Total commitments</b>	<b>180,061</b>	<b>84,015</b>

### Details of capital commitments

Major projects to continue next year include:

- \* Water Treatment Plant Major Upgrade - Mardi
- \* Sewer infrastructure reinforcements - Gosford CBD
- \* Sewage Treatment Plant Process Improvements - Bateau Bay
- \* Gosford Regional Library and Innovation Hub
- \* Magenta Shared Pathway Construction
- \* Sewage Treatment Plant Major Augmentation works - Charmhaven
- \* Plant & Fleet Vehicles - Acquisitions
- \* Wisemans Ferry Road works

## G3-1 Events occurring after the reporting date

Council is aware of the following 'non-adjusting events' that merit disclosure:

The Water Management Amendment (Central Coast Council) Act 2024 has been enacted, which amends the Water Management Act 2000 to provide that Central Coast Council is no longer a Water Supply Authority.

## G4 Changes from prior year statements

### G4-1 Correction of errors

#### Nature of prior period error

During 2023-2024 Council recognised roads, drainage, bulk earthworks, footpaths, water and sewer assets that had been constructed by others and handed over to, and controlled by Council prior to 2023-2024. The financial statements have been adjusted to reflect that these assets relate to periods earlier than the current reporting period. These errors have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2022) and taking the adjustments through to accumulated surplus at that date. Comparatives for 2022-2023 have also been restated, where applicable to reflect the correction of errors. The impact of each line item of the financial statements is shown in the tables below:

#### Changes to the opening Statement of Financial Position at 1 July 2022

\$ '000	As Previously Reported 1 July, 2022	Impact Increase/ (decrease)	Restated Balance 1 July, 2022
Infrastructure, property, plant and equipment	8,135,785	15,826	8,151,611
<b>Total non-current assets</b>	<b>8,598,933</b>	<b>15,826</b>	<b>8,614,759</b>
<b>Total assets</b>	<b>8,905,632</b>	<b>15,826</b>	<b>8,921,458</b>
<b>Net assets</b>	<b>8,342,078</b>	<b>15,826</b>	<b>8,357,904</b>
Accumulated surplus	7,131,392	15,826	7,147,218
<b>Total equity</b>	<b>8,342,078</b>	<b>15,826</b>	<b>8,357,904</b>

Central Coast Council | Notes to the Financial Statements 30 June 2024

**G4-1 Correction of errors (continued)****Adjustments to the comparative figures for the year ended 30 June 2023**

\$ '000	As Previously Reported 30 June, 2023	Impact Increase/ (decrease)	Restated Amount 30 June, 2023
Infrastructure, property, plant and equipment	8,527,681	31,485	8,559,166
<b>Total non-current assets</b>	<b>8,988,644</b>	<b>31,485</b>	<b>9,020,129</b>
<b>Total assets</b>	<b>9,434,746</b>	<b>31,485</b>	<b>9,466,231</b>
<b>Net assets</b>	<b>8,864,319</b>	<b>31,485</b>	<b>8,895,804</b>
Accumulated surplus	7,278,259	31,485	7,309,744
<b>Total equity</b>	<b>8,864,319</b>	<b>31,485</b>	<b>8,895,804</b>

**Income Statement**

\$ '000	As Previously Reported 30 June, 2023	Impact Increase/ (decrease)	Restated Amount 30 June, 2023
Grants and contributions provided for capital purposes	111,826	15,899	127,725
<b>Total income from continuing operations</b>	<b>777,443</b>	<b>15,899</b>	<b>793,342</b>
Depreciation and amortisation	174,928	240	175,168
<b>Total expenses from continuing operations</b>	<b>630,576</b>	<b>240</b>	<b>630,816</b>
<b>Net operating result for the year</b>	<b>146,867</b>	<b>15,659</b>	<b>162,526</b>

**Statement of Comprehensive Income**

\$ '000	As Previously Reported 30 June, 2023	Impact Increase/ (decrease)	Restated Amount 30 June, 2023
<b>Net operating result for the year</b>	<b>146,867</b>	<b>15,659</b>	<b>162,526</b>
<b>Total comprehensive income for the year</b>	<b>522,241</b>	<b>15,659</b>	<b>537,900</b>

**G5 Statement of developer contributions****G5-1 Summary of developer contributions**

\$ '000	Opening balance at 1 July 2023	Contributions received during the year		Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
Drainage	25,848	1,848	–	982	959	(1,436)	–	28,201	–
Roads	25,708	3,197	–	2,025	1,110	(5,360)	–	26,680	–
Parking	3,487	1	–	–	131	–	–	3,619	–
Open space	23,906	4,192	–	1,440	1,328	(1,711)	–	29,155	–
Community facilities	35,503	2,025	–	831	1,269	(924)	–	38,704	–
Other	687	288	–	175	27	(175)	–	1,002	–
Drainage Capital	3,505	293	–	–	165	–	–	3,963	–
Drainage Land	1,902	67	–	–	88	–	–	2,057	–
Storm Water/Flood Mitigation	2,237	14	–	–	100	–	–	2,351	–
Roads Capital	578	111	–	–	29	–	–	718	–
Roads Land	–	–	–	–	–	–	–	–	–
Open Space Land	3,705	292	–	–	175	–	–	4,172	–
Open Space Embellishment	1,238	912	–	–	83	(77)	–	2,156	–
Community Capital	2,270	284	–	–	110	–	–	2,664	–
Community Land	488	16	–	–	22	–	–	526	–
Recreation	–	–	–	–	–	–	–	–	–
Footpaths	358	1	–	–	16	–	–	375	–
Environment Protection	–	–	–	–	–	–	–	–	–
Towncentre Improvements	2,040	21	–	–	92	–	–	2,153	–
Car Parking Administration	75	–	–	–	3	–	–	78	–
<b>S7.11 contributions – under a plan</b>	<b>133,535</b>	<b>13,562</b>	<b>–</b>	<b>5,453</b>	<b>5,707</b>	<b>(9,683)</b>	<b>–</b>	<b>148,574</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>51,625</b>	<b>4,747</b>	<b>–</b>	<b>–</b>	<b>2,219</b>	<b>(12,662)</b>	<b>–</b>	<b>45,929</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>185,160</b>	<b>18,309</b>	<b>–</b>	<b>5,453</b>	<b>7,926</b>	<b>(22,345)</b>	<b>–</b>	<b>194,503</b>	<b>–</b>
S7.4 planning agreements	5,814	–	–	–	239	–	–	6,053	–
S64 contributions - Water	10,288	3,346	–	682	882	(1,175)	–	14,023	–
S64 contributions - Sewer	18,086	2,353	–	301	1,123	(2,951)	–	18,912	–
<b>Total contributions</b>	<b>219,348</b>	<b>24,008</b>	<b>–</b>	<b>6,436</b>	<b>10,170</b>	<b>(26,471)</b>	<b>–</b>	<b>233,491</b>	<b>–</b>

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

Under the *Local Government Act 1993*, Council levies S64 contributions for Water and Sewer Infrastructure assets. These contributions are outlined in the relevant Development Servicing Plans (DSPs) and in accordance with the *Water Management Act 2000*.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year		Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						

## G5-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Net Contributions received - Non-cash					
CONTRIBUTION PLAN NUMBER 31 - PENINSULA									
Drainage Capital	3,505	293	—	—	165	—	—	3,963	—
Drainage Land	1,902	67	—	—	88	—	—	2,057	—
Roads Capital	578	111	—	—	29	—	—	718	—
Open Space Land	3,705	292	—	—	175	—	—	4,172	—
Community Land	488	16	—	—	22	—	—	526	—
Open Space Embellishment	1,231	912	—	—	83	(77)	—	2,149	—
Community Capital	2,270	284	—	—	110	—	—	2,664	—
Total	13,679	1,975	—	—	672	(77)	—	16,249	—
CONTRIBUTION PLAN NUMBER 42 - ERINA (REPEALED)									
CONTRIBUTION PLAN NUMBER 36 - ERINA VALLEY									



Central Coast Council | Notes to the Financial Statements 30 June 2024

## G5-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2023	Contributions received during the year		Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land						
CONTRIBUTION PLAN NUMBER 47A - TERRIGAL									
Storm Water/Flood Mitigation	2,237	14	—	—	100	—	—	2,351	—
Open Space Embellishment	7	—	—	—	—	—	—	7	—
Footpaths	358	1	—	—	16	—	—	375	—
Towncentre Improvements	2,040	21	—	—	92	—	—	2,153	—
Total	4,642	36	—	—	208	—	—	4,886	—
CONTRIBUTION PLAN NUMBER 69 - TERRIGAL PARKING									
Parking	1,604	1	—	—	72	—	—	1,677	—
Car Parking Administration	75	—	—	—	3	—	—	78	—
Total	1,679	1	—	—	75	—	—	1,755	—

continued on next page ...

Page 85 of 93

Central Coast Council | Notes to the Financial Statements 30 June 2024

### G5-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land							
CONTRIBUTION PLAN NUMBER 1 - WYONG										
Drainage	2,227	-	-	-	70	-	-	-	2,297	-
Roads	2,696	8	-	-	85	-	-	-	2,789	-
Parking	1,785	-	-	-	56	-	-	-	1,841	-
Open space	3,170	51	-	-	109	-	-	-	3,330	-
Community facilities	2,946	68	-	-	112	-	-	-	3,126	-
Other	54	-	-	-	2	-	-	-	56	-
Total	12,878	127	-	-	434	-	-	-	13,439	-
CONTRIBUTION PLAN NUMBER 2 - SOUTHERN LAKES										
Drainage	1,397	10	-	-	44	-	-	-	1,451	-
Roads	963	-	-	-	30	-	-	-	993	-
Open space	3,377	354	-	-	121	-	-	-	3,852	-
Community facilities	3,402	303	-	-	112	-	-	-	3,817	-
Other	24	41	-	-	1	-	-	-	66	-
Total	9,163	708	-	-	308	-	-	-	10,179	-
CONTRIBUTION PLAN NUMBER 3 - THE ENTRANCE										
Drainage	6	-	-	-	-	-	-	-	6	-
Roads	4,123	327	-	-	115	(1,036)	-	-	3,529	-
Parking	91	-	-	-	3	-	-	-	94	-
Open space	2,330	167	-	-	77	-	-	-	2,574	-
Community facilities	260	236	-	-	57	-	-	-	553	-
Total	6,810	730	-	-	252	(1,036)	-	-	6,756	-
CONTRIBUTION PLAN NUMBER 5 - OURIMBAH										
Roads	272	-	-	-	9	-	-	-	281	-
Open space	214	4	-	-	7	-	-	-	225	-
Community facilities	2,166	3	-	-	68	-	-	-	2,237	-
Other	2	-	-	-	-	-	-	-	2	-
Total	2,654	7	-	-	84	-	-	-	2,745	-

continued on next page ...

Page 86 of 93

Central Coast Council | Notes to the Financial Statements 30 June 2024

**G5-2 Developer contributions by plan (continued)**

	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Net Contributions received - Non-cash					
CONTRIBUTION PLAN NUMBER 6 - TOUKLEY									
Drainage	6	-	-	-	-	-	-	6	-
Roads	17	-	-	-	-	-	-	17	-
Parking	7	-	-	-	-	-	-	7	-
Open space	1,391	91	-	-	49	-	-	1,531	-
Community facilities	2,306	90	-	-	74	-	-	2,470	-
Total	3,727	181	-	-	123	-	-	4,031	-
CONTRIBUTION PLAN NUMBER 7 - GOROKAN									
Roads	102	-	-	-	25	-	-	127	-
Open space	1,512	137	-	-	56	-	-	1,705	-
Community facilities	1,238	115	-	-	39	(93)	-	1,299	-
Other	17	19	-	-	1	-	-	37	-
Total	2,869	271	-	-	121	(93)	-	3,168	-
CONTRIBUTION PLAN NUMBER 8 - SAN REMO									
Drainage	374	20	-	-	12	-	-	406	-
Roads	461	23	-	-	35	-	-	519	-
Open space	1,476	105	-	-	69	-	-	1,650	-
Community facilities	187	87	-	-	7	-	-	281	-
Other	7	13	-	-	-	-	-	20	-
Total	2,505	248	-	-	123	-	-	2,876	-
CONTRIBUTION PLAN NUMBER 9 - BUDGEWOI									
Roads	86	-	-	-	-	-	-	86	-
Open space	293	34	-	-	10	-	-	337	-
Community facilities	2,289	28	-	-	73	-	-	2,390	-
Other	5	4	-	-	-	-	-	9	-
Total	2,673	66	-	-	83	-	-	2,822	-

continued on next page ...

Page 87 of 93

Central Coast Council | Notes to the Financial Statements 30 June 2024

**G5-2 Developer contributions by plan (continued)**

	Opening balance at 1 July 2023	Contributions received during the year		Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land						
CONTRIBUTION PLAN NUMBER - 13 SHIRE WIDE									
Open space	2,136	253	-	-	71	-	-	2,460	-
Community facilities	185	193	-	-	2	-	-	380	-
Other	36	37	-	-	2	-	-	75	-
Total	2,357	483	-	-	75	-	-	2,915	-
CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS									
Roads	3,634	47	-	-	115	-	-	3,796	-
Open space	2,241	100	-	-	73	-	-	2,414	-
Community facilities	4,082	85	-	-	130	-	-	4,297	-
Other	22	12	-	-	1	-	-	35	-
Total	9,979	244	-	-	319	-	-	10,542	-
CONTRIBUTION PLAN NUMBER 17 - WARNERVALE DISTRICT									
Drainage	21,838	1,818	-	982	833	(1,436)	-	24,035	-
Roads	13,354	2,792	-	2,025	696	(4,324)	-	14,543	-
Open space	5,767	2,896	-	1,440	686	(1,711)	-	9,078	-
Community facilities	16,442	817	-	831	595	(831)	-	17,854	-
Other	520	162	-	175	20	(175)	-	702	-
Total	57,921	8,485	-	5,453	2,830	(8,477)	-	66,212	-

**S7.12 Levies – under a plan**

<b>CONTRIBUTION PLAN NUMBER GCIP (INCLUDING REPEALED CONTRIBUTIONS)</b>									
Town-centre Improvements	50,507	3,309	-	-	2,216	(7,169)	-	48,863	-
<b>Total</b>	<b>50,507</b>	<b>3,309</b>	<b>-</b>	<b>-</b>	<b>2,216</b>	<b>(7,169)</b>	<b>-</b>	<b>48,863</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER WYONG</b>									
Other	1,118	1,438	-	-	3	(5,493)	-	(2,934)	-
<b>Total</b>	<b>1,118</b>	<b>1,438</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(5,493)</b>	<b>-</b>	<b>(2,934)</b>	<b>-</b>

Central Coast Council | Notes to the Financial Statements 30 June 2024

**G Other matters****G6 Statement of performance measures****G6-1 Statement of performance measures – consolidated results**

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
<b>1. Operating performance</b>				
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2, 3</sup>	<b>42,913</b>	<b>6.04%</b>	6.15%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>710,630</b>			
<b>2. Own source operating revenue</b>				
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>657,820</b>	<b>80.44%</b>	76.62%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions <sup>1</sup>	<b>817,796</b>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions	<b>319,891</b>	<b>6.54x</b>	2.64x	> 1.50x
Current liabilities less specific purpose liabilities	<b>48,876</b>			
<b>4. Debt service cover ratio</b>				
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>252,674</b>	<b>2.15x</b>	5.64x	> 2.00x
Principal repayments (from the Statement of Cash Flows) plus borrowing costs (from the Income Statement)	<b>117,474</b>			
<b>5. Rates and annual charges outstanding percentage</b>				
Rates and annual charges outstanding	<b>31,944</b>	<b>7.07%</b>	6.60%	< 5.00%
Rates and annual charges collectable	<b>451,862</b>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus term deposits	<b>297,934</b>	<b>6.39</b>	8.34	> 3.00
Payments from cash flow of operating and financing activities	<b>46,648</b>	<b>months</b>	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, impairment losses on receivables, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

(3) Restated 2022/23

Central Coast Council | Notes to the Financial Statements 30 June 2024

**G6-2 Statement of performance measures by fund**

\$ '000	General Indicators		Water Indicators		Sewer Indicators		Benchmark
	2024	2023	2024	2023	2024	2023	
1. Operating performance							
Total continuing operating revenue excluding capital grants and contributions less operating expenses	6.74%	7.19%	6.61%	0.51%	2.19%	6.17%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1, 2</sup>							
2. Own source operating revenue							
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	75.90%	74.06%	94.48%	87.46%	89.06%	79.76%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions <sup>1</sup>							
3. Unrestricted current ratio							
Current assets less all external restrictions	6.54x	2.64x	∞	∞	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1, 2</sup>	1.48x	8.22x	6.02x	2.33x	9.34x	8.48x	> 2.00x
Principal repayments (from the Statement of Cash Flows) plus borrowing costs (from the Income Statement) <sup>3</sup>							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	6.18%	5.77%	9.60%	9.66%	9.54%	9.11%	< 5.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year cash and cash equivalents plus term deposits	5.77	7.35	4.59	3.94	13.79	21.99	> 3.00
Payments from cash flow of operating and financing activities	months	months	months	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets, and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies.

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, impairment losses on receivables, net loss on disposal of assets, and net loss on share of interest in joint ventures and associates using the equity method.

(3) Debt service cover ratio for General Fund in 2024 has reduced due to the repayment of the emergency loan in December 2023, increasing the principal repayments (denominator) substantially.

End of the audited financial statements



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the general purpose financial statements**

#### **Central Coast Council**

To the Councillors of Central Coast Council

### **Opinion**

I have audited the accompanying financial statements of Central Coast Council (the Council), which comprise the Statement by Administrator and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).



Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

### **Other Information**

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors and the former Administrator are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' and the former Administrator's Responsibilities for the Financial Statements**

The Councillors and the former Administrator are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993* and for such internal control as the Councillors and the former Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Councillors and the former Administrator are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis  
Delegate of the Auditor-General for New South Wales

24 October 2024  
SYDNEY



Lawrie McKinna  
Mayor  
Central Coast Council  
2 Hely Street  
WYONG NSW 2259

Contact: Caroline Karakatsanis  
Phone no: 02 9275 7143  
Our ref: R008-2124742775-7638

24 October 2024

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2024  
Central Coast Council**

I have audited the general purpose financial statements (GPFS) of the Central Coast Council (the Council) for the year ended 30 June 2024 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2024 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## **INCOME STATEMENT**

### **Operating result**

	<b>2024</b>	<b>2023*</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Rates and annual charges revenue	421.5	389.3	8.3
Grants and contributions revenue	160.0	184.3	13.2
Operating result from continuing operations	145.8	162.5	10.3
Net operating result before capital grants and contributions	38.6	34.8	10.9

\* The 2023 comparatives have been restated to correct a prior period error. Note G4-1 of the financial statements provides details of the prior period error.

Rates and annual charges revenue (\$421.5 million) increased by \$32.2 million (8.3 per cent) in 2023–24 due to the rate peg increase of 3.8 per cent applied to general rates and various increases in annual charges including those determined by IPART.

Grants and contributions revenue (\$160.0 million) decreased by \$24.3 million (13.2 per cent) in 2023–24 was mainly attributed to:

- decrease of \$36.5 million of non-cash contributions (donated assets) recognised during the year
- increase of \$17.2 million in state funding during the year
- receiving 85 per cent of the financial assistance grants for 2024–25 in advance (95 per cent in 2022–23), resulting in a decrease of \$9.7 million in 2023–24.

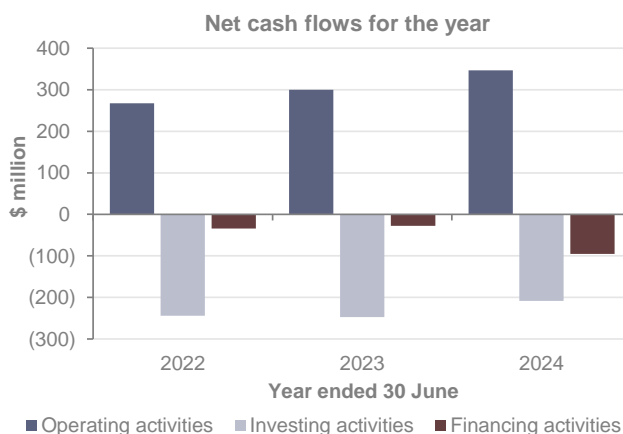
Council's operating result from continuing operations (\$145.8 million including depreciation, amortisation and impairment expense of \$197.3 million) was \$16.7 million lower than the 2022–23 result.

The net operating result before capital grants and contributions (\$38.6 million) was \$3.8 million higher than the 2022–23 result.

## STATEMENT OF CASH FLOWS

The increase in cash and cash equivalents of \$43.4 million was due to:

- net cash inflow from operating activities of \$346.4 million.
- net cash outflows from investing activities of \$208.0 million.
- net cash outflows from financing activities of \$95.0 million due to repayment of instalments on borrowings.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2024	2023	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>799.7</b>	<b>760.6</b>	Externally restricted balances comprise mainly of developer contributions, domestic waste management, and the Water Supply Authority related funds.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by Council policies or decisions, which are subject to change.
• External restrictions	549.8	515.4	At 30 June 2024, Council reported a positive cash and investment balance, after external restrictions, of \$249.9 million (\$245.2 million in 2023).
• Internal allocations	127.1	147.8	Internal allocations were \$127.1 million in 2024 (\$147.8 million in 2023).

## Debt

At 30 June 2024, Council had:

- \$191.6 million in secured loans (\$285.9 million in 2022–23)

## PERFORMANCE

### Performance measures

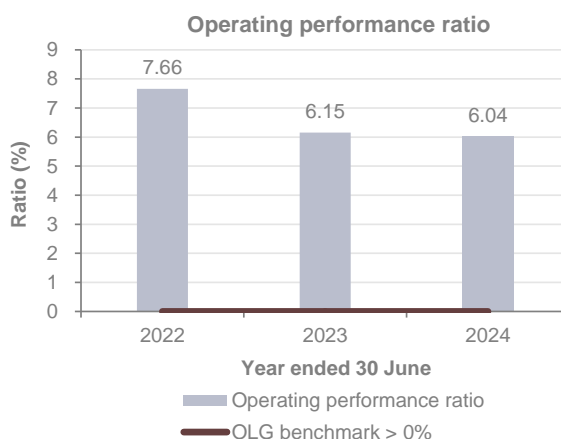
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Housing and Infrastructure.

#### Operating performance ratio

Council met the benchmark for the current reporting period.

The 2023 ratio was restated to correct a prior period error.

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

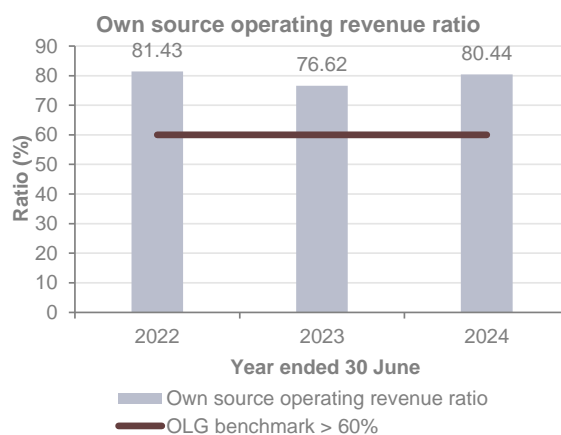


#### Own source operating revenue ratio

Council met the benchmark for the current reporting period.

The 2023 ratio was restated to correct a prior period error.

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

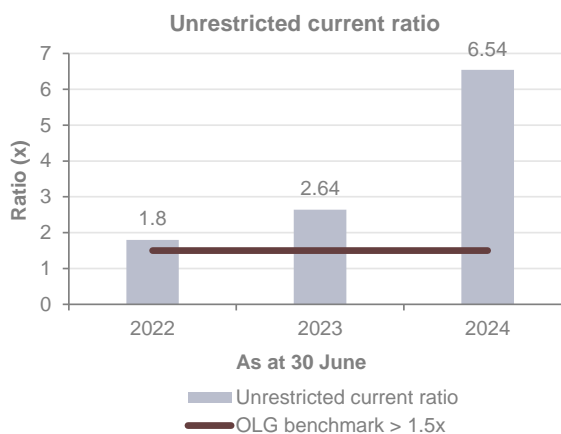


### Unrestricted current ratio

Council met the benchmark for the current reporting period.

The 2023 ratio was restated.

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

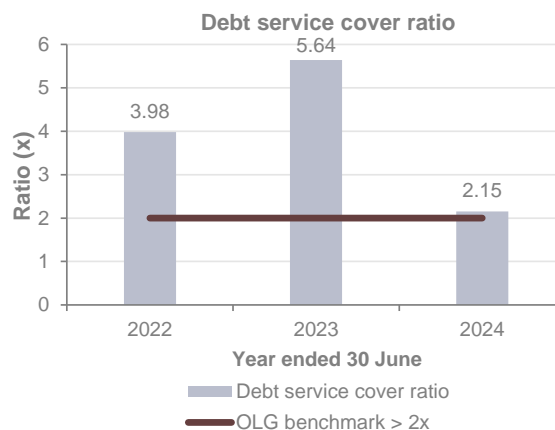


### Debt service cover ratio

Council met the benchmark for the current reporting period.

The Council met the benchmark for the last three financial years.

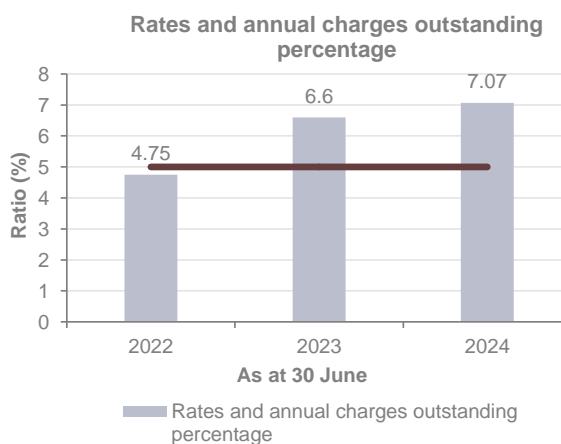
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



### Rates and annual charges outstanding percentage

Council did not meet the benchmark for the current reporting period and 2023.

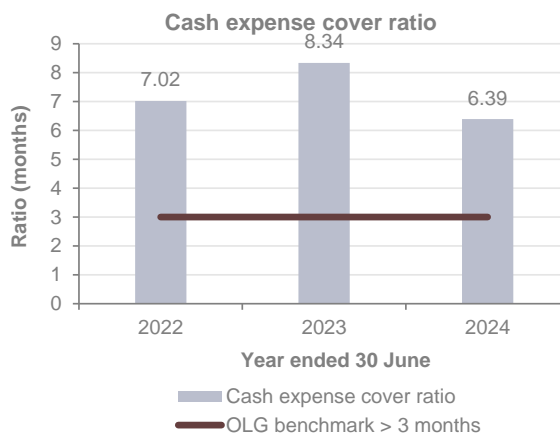
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



**Cash expense cover ratio**

Council met the benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

**Infrastructure, property, plant and equipment renewals**

Council had new asset additions of \$243.9 million in 2023–24 compared to \$227.8 million in 2022–23. Of this amount, \$230.4 million was spent on capital work in progress, \$4.8 million was spent on roads and \$3.3 million was spent on stormwater drainage.

The Council did not separately disclose assets renewals in the GPFS.

**OTHER MATTERS****Legislative compliance**

My audit procedures did not identify any instances of material non-compliance with the financial reporting requirements in Chapter 13, Part 3, Division 2 of the LG Act and the associated regulation or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

Caroline Karakatsanis  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: David Farmer, Chief Executive Officer  
Carl Millington, Chair of Audit, Risk and Improvement Committee





# Special Purpose Statements

Central Coast Council

1 July 2023 to 30 June 2024

Central  
Coast  
Council



## Central Coast Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

Contents	Page
<b>Statement by Administrator and Management</b>	<b>3</b>
<b>Special Purpose Financial Statements:</b>	
Income Statement of water supply business activity	4
Income Statement of sewerage business activity	5
Income Statement – Drainage	6
Income Statement – Holiday Parks	7
Income Statement – Leisure Centres	8
Income Statement – Child Care	9
Income Statement – Commercial Waste	10
Income Statement – Building Certification	11
Statement of Financial Position of water supply business activity	12
Statement of Financial Position of sewerage business activity	13
Statement of Financial Position – Drainage	14
Statement of Financial Position – Holiday Parks	15
Statement of Financial Position – Leisure Centres	16
Statement of Financial Position – Child Care	17
Statement of Financial Position – Commercial Waste	18
Statement of Financial Position – Building Certification	19
<b>Note – Material accounting policy information</b>	<b>20</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>23</b>

## Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities), and **(c)** those activities with a turnover of less than \$2 million that Council has formally declared as a business activity (defined as Category 2 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

## Central Coast Council

### Special Purpose Financial Statements

for the year ended 30 June 2024

---

#### Statement by Administrator and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

**The attached Special Purpose Financial Statements have been prepared in accordance with :**

- NSW Government Policy Statement *Application of National Competition Policy to Local Government*,
- Division of Local Government Guidelines *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*,
- The Local Government Code of Accounting Practice and Financial Reporting,
- The NSW Office of Water *Best-Practice Management of Water and Sewerage Guidelines*.

**To the best of our knowledge and belief, these statements:**

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records, and
- present overhead reallocation charges to businesses as fair and reasonable.

We are not aware of any matter that would render these statements false or misleading in any way.

**Signed in accordance with a resolution of Council made on 27 August 2024.**

---

Rik Hart  
**Administrator**  
27 August 2024

---

Marissa Racomelara  
**A/Chief Executive Officer**  
27 August 2024

---

Emma Galea  
**Responsible Accounting Officer**  
27 August 2024

Central Coast Council | Income Statement of water supply business activity | for the year ended 30 June 2024

**Central Coast Council**

**Income Statement of water supply business activity**  
for the year ended 30 June 2024

\$ '000	2024	2023 Restated
<b>Income from continuing operations</b>		
Access charges	34,673	22,339
User charges	69,891	62,892
Fees	2,071	1,796
Interest and investment income	1,914	800
Grants and contributions provided for operating purposes	131	201
Net gain from the disposal of assets	602	–
Other income	128	98
<b>Total income from continuing operations</b>	<b>109,410</b>	<b>88,126</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	17,053	14,015
Borrowing costs	7,072	7,158
Materials and services	38,628	30,826
Depreciation, amortisation and impairment	38,311	35,214
Water purchase charges	352	378
Net loss from the disposal of assets	534	1,372
Calculated taxation equivalents	795	690
Other expenses	31	217
<b>Total expenses from continuing operations</b>	<b>102,776</b>	<b>89,870</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>6,634</b>	<b>(1,744)</b>
Grants and contributions provided for capital purposes	6,243	12,388
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>12,877</b>	<b>10,644</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>12,877</b>	<b>10,644</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(1,659)	–
<b>Surplus (deficit) after tax</b>	<b>11,218</b>	<b>10,644</b>
<b>Opening accumulated surplus</b>	<b>961,169</b>	<b>948,500</b>
Prior period adjustment - found assets	–	1,335
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	795	690
– Corporate taxation equivalent	1,659	–
<b>Closing accumulated surplus</b>	<b>974,841</b>	<b>961,169</b>
<b>Return on capital %</b>	<b>0.9%</b>	<b>0.4%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	11,219	10,644
Less: capital grants and contributions (excluding developer contributions)	(6,243)	(12,388)
<b>Surplus for dividend calculation purposes</b>	<b>4,976</b>	<b>–</b>
<b>Dividend calculated from surplus</b>	<b>2,488</b>	<b>–</b>

Central Coast Council | Income Statement of sewerage business activity | for the year ended 30 June 2024

## Central Coast Council

### Income Statement of sewerage business activity for the year ended 30 June 2024

\$ '000	2024	2023 Restated
<b>Income from continuing operations</b>		
Access charges	73,563	65,155
User charges	20,481	18,783
Liquid trade waste charges	3,243	3,036
Fees	783	1,136
Interest and investment income	7,988	5,359
Grants and contributions provided for operating purposes	173	167
Other income	1,201	1,034
<b>Total income from continuing operations</b>	<b>107,432</b>	<b>94,670</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	18,074	14,366
Borrowing costs	1,658	2,236
Materials and services	42,165	34,216
Depreciation, amortisation and impairment	42,007	37,047
Net loss from the disposal of assets	2,675	806
Calculated taxation equivalents	258	239
Other expenses	248	535
<b>Total expenses from continuing operations</b>	<b>107,085</b>	<b>89,445</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>347</b>	<b>5,225</b>
Grants and contributions provided for capital purposes	12,848	23,555
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>13,195</b>	<b>28,780</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>13,195</b>	<b>28,780</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(87)	(1,320)
<b>Surplus (deficit) after tax</b>	<b>13,108</b>	<b>27,460</b>
<b>Opening accumulated surplus</b>	<b>1,524,905</b>	<b>1,492,792</b>
Prior period adjustment - found assets	-	3,094
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	258	239
– Corporate taxation equivalent	87	1,320
<b>Closing accumulated surplus</b>	<b>1,538,358</b>	<b>1,524,905</b>
<b>Return on capital %</b>	<b>0.1%</b>	<b>0.5%</b>
<b>Subsidy from Council</b>	<b>-</b>	<b>-</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	13,108	27,460
Less: capital grants and contributions (excluding developer contributions)	(12,848)	(23,555)
<b>Surplus for dividend calculation purposes</b>	<b>260</b>	<b>3,905</b>
<b>Dividend calculated from surplus</b>	<b>130</b>	<b>1,953</b>

Central Coast Council | Income Statement – Drainage | for the year ended 30 June 2024

**Central Coast Council****Income Statement – Drainage**

for the year ended 30 June 2024

	2024 Category 1	2023 Category 1 Restated
<b>\$ '000</b>		
<b>Income from continuing operations</b>		
Annual charges	20,394	18,891
Interest and investment income	306	90
Grants and contributions provided for operating purposes	4,584	64
Other income	10	7
<b>Total income from continuing operations</b>	<b>25,294</b>	<b>19,052</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,703	1,925
Borrowing costs	395	461
Materials and services	13,795	8,523
Depreciation, amortisation and impairment	14,041	13,421
Net loss from the disposal of assets	1,103	329
Calculated taxation equivalents	95	77
Other expenses	1	3
<b>Total expenses from continuing operations</b>	<b>32,133</b>	<b>24,739</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(6,839)</b>	<b>(5,687)</b>
Grants and contributions provided for capital purposes	7,742	14,039
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>903</b>	<b>8,352</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>903</b>	<b>8,352</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>903</b>	<b>8,352</b>
<b>Opening accumulated surplus</b>	<b>1,022,883</b>	<b>1,007,448</b>
Prior period adjustment - found assets (2021/22 & 2022/23)	–	7,006
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	95	77
<b>Closing accumulated surplus</b>	<b>1,023,881</b>	<b>1,022,883</b>
<b>Return on capital %</b>	<b>(0.5)%</b>	<b>(0.4)%</b>
<b>Subsidy from Council</b>	<b>6,444</b>	<b>5,190</b>

Central Coast Council | Income Statement – Holiday Parks | for the year ended 30 June 2024

**Central Coast Council****Income Statement – Holiday Parks**

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	12,913	12,504
Fees	17	9
Other income	4	–
<b>Total income from continuing operations</b>	<b>12,934</b>	<b>12,513</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	304	323
Borrowing costs	48	36
Materials and services	9,240	8,315
Depreciation, amortisation and impairment	1,320	878
Calculated taxation equivalents	312	281
Other expenses	379	492
<b>Total expenses from continuing operations</b>	<b>11,603</b>	<b>10,325</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,331</b>	<b>2,188</b>
Grants and contributions provided for capital purposes	–	21
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,331</b>	<b>2,209</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,331</b>	<b>2,209</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(333)	(547)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>998</b>	<b>1,662</b>
<b>Opening accumulated surplus</b>	<b>44,477</b>	<b>34,720</b>
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	312	281
– Corporate taxation equivalent	333	547
– Subsidy paid/contribution to operations	3,912	7,267
<b>Closing accumulated surplus</b>	<b>50,032</b>	<b>44,477</b>
<b>Return on capital %</b>	<b>3.5%</b>	<b>6.7%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>

Central Coast Council | Income Statement – Leisure Centres | for the year ended 30 June 2024

## Central Coast Council

### Income Statement – Leisure Centres

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	8,204	7,571
Other income	602	530
<b>Total income from continuing operations</b>	<b>8,806</b>	<b>8,101</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	7,299	6,721
Materials and services	5,544	4,531
Depreciation, amortisation and impairment	2,771	1,905
Net loss from the disposal of assets	1	6
Calculated taxation equivalents	599	561
<b>Total expenses from continuing operations</b>	<b>16,214</b>	<b>13,724</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(7,408)</b>	<b>(5,623)</b>
Grants and contributions provided for capital purposes	528	67
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(6,880)</b>	<b>(5,556)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(6,880)</b>	<b>(5,556)</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(6,880)</b>	<b>(5,556)</b>
<b>Opening accumulated surplus</b>	<b>51,578</b>	<b>41,152</b>
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	599	561
– Subsidy payable/contribution to operations by Council	14,806	15,421
<b>Closing accumulated surplus</b>	<b>60,103</b>	<b>51,578</b>
<b>Return on capital %</b>	<b>(11.0)%</b>	<b>(9.6)%</b>
<b>Subsidy from Council</b>	<b>7,408</b>	<b>5,623</b>

Central Coast Council | Income Statement – Child Care | for the year ended 30 June 2024

**Central Coast Council****Income Statement – Child Care**

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
User charges	8,888	8,091
Grants and contributions provided for operating purposes	670	549
<b>Total income from continuing operations</b>	<b>9,558</b>	<b>8,640</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	7,205	6,542
Borrowing costs	22	22
Materials and services	2,486	2,199
Depreciation, amortisation and impairment	476	367
Net loss from the disposal of assets	19	20
Calculated taxation equivalents	413	370
<b>Total expenses from continuing operations</b>	<b>10,621</b>	<b>9,520</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(1,063)</b>	<b>(880)</b>
Grants and contributions provided for capital purposes	71	154
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(992)</b>	<b>(726)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(992)</b>	<b>(726)</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(992)</b>	<b>(726)</b>
<b>Opening accumulated surplus</b>	<b>9,180</b>	<b>6,900</b>
Plus/less: other adjustments (prior year subsidy payable by Council)	–	–
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	413	370
– Subsidy payable/contribution to operations by Council	1,129	2,636
<b>Closing accumulated surplus</b>	<b>9,730</b>	<b>9,180</b>
<b>Return on capital %</b>	<b>(9.3)%</b>	<b>(8.1)%</b>
<b>Subsidy from Council</b>	<b>1,041</b>	<b>858</b>



Central Coast Council | Income Statement – Commercial Waste | for the year ended 30 June 2024

**Central Coast Council****Income Statement – Commercial Waste**

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>Income from continuing operations</b>		
Annual charges	4,512	4,310
Interest and investment income	16	9
<b>Total income from continuing operations</b>	<b>4,528</b>	<b>4,319</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	26	19
Materials and services	1,385	1,490
Other expenses	371	2,801
<b>Total expenses from continuing operations</b>	<b>1,782</b>	<b>4,310</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,746</b>	<b>9</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,746</b>	<b>9</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,746</b>	<b>9</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(687)	(2)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>2,059</b>	<b>7</b>
<b>Opening accumulated surplus</b>	<b>(288)</b>	<b>(25)</b>
<b>Adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	687	2
– Subsidy paid/contribution to operations	(2,261)	(272)
<b>Closing accumulated surplus</b>	<b>197</b>	<b>(288)</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>

Central Coast Council | Income Statement – Building Certification | for the year ended 30 June 2024

**Central Coast Council****Income Statement – Building Certification**

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
<b>Income from continuing operations</b>		
Fees	641	652
Other income	1	2
<b>Total income from continuing operations</b>	<b>642</b>	<b>654</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,454	2,547
Materials and services	57	1,225
Calculated taxation equivalents	69	78
<b>Total expenses from continuing operations</b>	<b>2,580</b>	<b>3,850</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(1,938)</b>	<b>(3,196)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(1,938)</b>	<b>(3,196)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(1,938)</b>	<b>(3,196)</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(1,938)</b>	<b>(3,196)</b>
<b>Opening accumulated surplus</b>	<b>(1,190)</b>	<b>(1,058)</b>
<b>Adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	69	78
– Subsidy payable/contribution to operations by Council	1,901	2,986
<b>Closing accumulated surplus</b>	<b>(1,158)</b>	<b>(1,190)</b>
<b>Return on capital %</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>1,938</b>	<b>3,196</b>

Central Coast Council | Statement of Financial Position of water supply business activity | as at 30 June 2024

## Central Coast Council

### Statement of Financial Position of water supply business activity

as at 30 June 2024

\$ '000	2024	2023 Restated
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,200	1,892
Investments	29,772	17,903
Receivables	29,182	24,444
Other	128	252
<b>Total current assets</b>	<b>62,282</b>	<b>44,491</b>
<b>Non-current assets</b>		
Right of use assets	359	464
Investments	547	547
Receivables	27	227
Infrastructure, property, plant and equipment	1,535,869	1,473,617
<b>Total non-current assets</b>	<b>1,536,802</b>	<b>1,474,855</b>
<b>Total assets</b>	<b>1,599,084</b>	<b>1,519,346</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	108	32
Lease liabilities	115	103
Provisions	649	748
Payables	9,486	10,428
Borrowings	13,711	13,527
Employee benefit provisions	5,591	5,068
<b>Total current liabilities</b>	<b>29,660</b>	<b>29,906</b>
<b>Non-current liabilities</b>		
Contract liabilities	2,255	2,255
Lease liabilities	319	422
Provisions	1,199	1,214
Borrowings	112,977	116,640
<b>Total non-current liabilities</b>	<b>116,750</b>	<b>120,531</b>
<b>Total liabilities</b>	<b>146,410</b>	<b>150,437</b>
<b>Net assets</b>	<b>1,452,674</b>	<b>1,368,909</b>
<b>EQUITY</b>		
Accumulated surplus	974,842	961,170
IPPE revaluation reserves	477,832	407,739
<b>Total equity</b>	<b>1,452,674</b>	<b>1,368,909</b>

Central Coast Council | Statement of Financial Position of sewerage business activity | as at 30 June 2024

**Central Coast Council****Statement of Financial Position of sewerage business activity**

as at 30 June 2024

\$ '000	2024	2023 Restated
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,509	8,191
Investments	79,171	77,511
Receivables	17,025	16,196
Other	128	252
Non-current assets classified as held for sale	480	480
<b>Total current assets</b>	<b>105,313</b>	<b>102,630</b>
<b>Non-current assets</b>		
Right of use assets	359	464
Investments	78,734	78,734
Receivables	8,408	9,072
Infrastructure, property, plant and equipment	1,728,872	1,643,534
<b>Total non-current assets</b>	<b>1,816,373</b>	<b>1,731,804</b>
<b>Total assets</b>	<b>1,921,686</b>	<b>1,834,434</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	4,975	10,585
Lease liabilities	115	103
Provisions	701	642
Payables	7,254	7,846
Borrowings	3,458	3,258
Employee benefit provisions	4,979	4,676
<b>Total current liabilities</b>	<b>21,482</b>	<b>27,110</b>
<b>Non-current liabilities</b>		
Contract liabilities	5,383	899
Lease liabilities	319	422
Provisions	683	725
Borrowings	28,083	31,541
<b>Total non-current liabilities</b>	<b>34,468</b>	<b>33,587</b>
<b>Total liabilities</b>	<b>55,950</b>	<b>60,697</b>
<b>Net assets</b>	<b>1,865,736</b>	<b>1,773,737</b>
<b>EQUITY</b>		
Accumulated surplus	1,538,362	1,524,910
IPPE revaluation reserves	327,374	248,827
<b>Total equity</b>	<b>1,865,736</b>	<b>1,773,737</b>

Central Coast Council | Statement of Financial Position – Drainage | as at 30 June 2024

## Central Coast Council

### Statement of Financial Position – Drainage

as at 30 June 2024

	2024 Category 1	2023 Category 1 Restated
<b>\$ '000</b>		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	532	71
Investments	4,946	669
Receivables	2,406	2,981
<b>Total current assets</b>	<b>7,884</b>	<b>3,721</b>
<b>Non-current assets</b>		
Investments	95	95
Receivables	1	1
Infrastructure, property, plant and equipment	1,320,323	1,282,442
Intangible assets	–	–
<b>Total non-current assets</b>	<b>1,320,419</b>	<b>1,282,538</b>
<b>Total assets</b>	<b>1,328,303</b>	<b>1,286,259</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	1,040	131
Payables	1,585	743
Borrowings	26,269	26,243
Employee benefit provisions	95	103
<b>Total current liabilities</b>	<b>28,989</b>	<b>27,220</b>
<b>Non-current liabilities</b>		
Contract liabilities	567	1,375
Borrowings	6,291	6,857
<b>Total non-current liabilities</b>	<b>6,858</b>	<b>8,232</b>
<b>Total liabilities</b>	<b>35,847</b>	<b>35,452</b>
<b>NET ASSETS</b>	<b>1,292,456</b>	<b>1,250,807</b>
<b>EQUITY</b>		
Accumulated surplus	1,023,881	1,022,883
IPPE revaluation reserves	268,575	227,924
<b>Total equity</b>	<b>1,292,456</b>	<b>1,250,807</b>

Central Coast Council | Statement of Financial Position – Holiday Parks | as at 30 June 2024

**Central Coast Council****Statement of Financial Position – Holiday Parks**

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Investments	14,605	13,688
Receivables	231	264
Other	18	–
<b>Total current assets</b>	<b>14,854</b>	<b>13,952</b>
<b>Non-current assets</b>		
Right of use assets	1,148	1,210
Infrastructure, property, plant and equipment	39,285	33,289
<b>Total non-current assets</b>	<b>40,433</b>	<b>34,499</b>
<b>Total assets</b>	<b>55,287</b>	<b>48,451</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	1,926	1,748
Lease liabilities	26	22
Payables	2,021	946
Employee benefit provisions	89	71
<b>Total current liabilities</b>	<b>4,062</b>	<b>2,787</b>
<b>Non-current liabilities</b>		
Lease liabilities	1,193	1,219
<b>Total non-current liabilities</b>	<b>1,193</b>	<b>1,219</b>
<b>Total liabilities</b>	<b>5,255</b>	<b>4,006</b>
<b>NET ASSETS</b>	<b>50,032</b>	<b>44,445</b>
<b>EQUITY</b>		
Accumulated surplus	50,032	44,445
<b>Total equity</b>	<b>50,032</b>	<b>44,445</b>

Central Coast Council | Statement of Financial Position – Leisure Centres | as at 30 June 2024

## Central Coast Council

### Statement of Financial Position – Leisure Centres

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	–	–
Receivables	129	–
Other	64	–
<b>Total current assets</b>	<b>193</b>	<b>–</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	67,428	58,681
<b>Total non-current assets</b>	<b>67,428</b>	<b>58,681</b>
<b>Total assets</b>	<b>67,621</b>	<b>58,681</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	32	316
Payables	916	264
Employee benefit provisions	1,082	1,071
<b>Total current liabilities</b>	<b>2,030</b>	<b>1,651</b>
<b>Non-current liabilities</b>		
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>	<b>2,030</b>	<b>1,651</b>
<b>NET ASSETS</b>	<b>65,591</b>	<b>57,030</b>
<b>EQUITY</b>		
Accumulated surplus	60,103	51,542
IPPE Revaluation reserves	5,488	5,488
<b>Total equity</b>	<b>65,591</b>	<b>57,030</b>

Central Coast Council | Statement of Financial Position – Child Care | as at 30 June 2024

## Central Coast Council

### Statement of Financial Position – Child Care

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	281	271
<b>Total current assets</b>	<b>281</b>	<b>271</b>
<b>Non-current assets</b>		
Right of use assets	386	401
Infrastructure, property, plant and equipment	11,253	10,549
<b>Total non-current assets</b>	<b>11,639</b>	<b>10,950</b>
<b>Total assets</b>	<b>11,920</b>	<b>11,221</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	274	160
Payables	50	77
Employee benefit provisions	1,385	1,329
Provisions	3	1
<b>Total current liabilities</b>	<b>1,712</b>	<b>1,567</b>
<b>Non-current liabilities</b>		
Lease liabilities	478	474
<b>Total non-current liabilities</b>	<b>478</b>	<b>474</b>
<b>Total liabilities</b>	<b>2,190</b>	<b>2,041</b>
<b>NET ASSETS</b>	<b>9,730</b>	<b>9,180</b>
<b>EQUITY</b>		
Accumulated surplus	9,730	9,180
<b>Total equity</b>	<b>9,730</b>	<b>9,180</b>



Central Coast Council | Statement of Financial Position – Commercial Waste | as at 30 June 2024

**Central Coast Council****Statement of Financial Position – Commercial Waste**

as at 30 June 2024

<b>\$ '000</b>	<b>2024 Category 1</b>	<b>2023 Category 1</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables	222	195
<b>Total current assets</b>	<b>222</b>	<b>195</b>
<b>Non-current assets</b>		
Receivables	–	–
<b>Total non-current assets</b>	<b>–</b>	<b>–</b>
<b>Total assets</b>	<b>222</b>	<b>195</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	25	483
<b>Total current liabilities</b>	<b>25</b>	<b>483</b>
<b>Non-current liabilities</b>		
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>	<b>25</b>	<b>483</b>
<b>NET ASSETS</b>	<b>197</b>	<b>(288)</b>
<b>EQUITY</b>		
Accumulated surplus / (deficit)	197	(288)
<b>Total equity</b>	<b>197</b>	<b>(288)</b>

Central Coast Council | Statement of Financial Position – Building Certification | as at 30 June 2024

## Central Coast Council

### Statement of Financial Position – Building Certification

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 2
<b>ASSETS</b>		
<b>Current assets</b>		
	—	—
<b>Total current assets</b>	—	—
<b>Non-current assets</b>		
	—	—
<b>Total non-current assets</b>	—	—
<b>Total assets</b>	—	—
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Employee benefit provisions	1,158	1,190
<b>Total current liabilities</b>	1,158	1,190
<b>Non-current liabilities</b>		
<b>Total non-current liabilities</b>	—	—
<b>Total liabilities</b>	1,158	1,190
<b>NET ASSETS</b>	<b>(1,158)</b>	<b>(1,190)</b>
<b>EQUITY</b>		
Accumulated deficit	(1,158)	(1,190)
<b>Total equity</b>	<b>(1,158)</b>	<b>(1,190)</b>

## Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows. These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the *Local Government Act 1993 (NSW)*, the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

### Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

#### Category 1

(where gross operating turnover is over \$2 million)

##### a. Water supplies

Water catchment, treatment and supply.

##### b. Sewerage services

Sewerage collection, treatment and disposal.

##### c. Stormwater drainage services

Provide and maintain stormwater drainage services.

##### d. Commercial waste management

Collection and disposal of commercial waste.

##### e. Care and Education

Provision of child care services.

##### f. Holiday Parks

Provision of holiday parks.

##### g. Leisure Centres

Provision of leisure centres.

#### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Building Certification

Provision of building certification services.

## Note – Material accounting policy information (continued)

### Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate – **25%** (21/22 26%)

Land tax – the first \$822,000 of combined land values attracts **0%**. For the combined land values in excess of \$822,000 up to \$5,026,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,026,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with the Department of Planning, Housing and Infrastructure guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the Department of Climate Change, Energy, the Environment and Water guidelines is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

### Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (21/22 26%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

#### (i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

#### (ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

**Note – Material accounting policy information (continued)**

---

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

**(iii) Dividends**

Council is not required to pay dividends to either itself as owner of a range of businesses, or to any external entities.

A local government water supply and sewerage businesses is permitted to pay annual dividends from their water supply or sewerage business surpluses.

Each dividend must be calculated and approved in accordance with the Department of Climate Change, Energy, the Environment and Water guidelines and must not exceed:

- 50% of the relevant surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2023 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to Department of Planning, Housing and Infrastructure.

**End of Audited Special Purpose Financial Statements.**



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Central Coast Council**

To the Councillors of Central Coast Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Central Coast Council's (the Council) Declared Business Activities, which comprise the Statement by Administrator and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2024, the Statement of Financial Position of each Declared Business Activity as at 30 June 2024 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- Water Supply Business
- Sewerage Business
- Drainage
- Holiday Parks
- Leisure Centres
- Child Care
- Commercial Waste
- Building Certification

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2024, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code).

My opinion should be read in conjunction with the rest of this report.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Material accounting policy information note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

### **Other Information**

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors and the former Administrator are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' and the former Administrator's Responsibilities for the Financial Statements**

The Councillors and the former Administrator are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Material accounting policy information note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors and the former Administrator's responsibility also includes such internal control as the Councillors and the former Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors and the former Administrator are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis  
Delegate of the Auditor-General for New South Wales

24 October 2024  
SYDNEY





# Special Schedules

Central Coast Council

---

1 July 2023 to 30 June 2024

Central  
Coast  
Council

## Central Coast Council

### Special Schedules

for the year ended 30 June 2024

---

#### Contents

#### Page

#### **Special Schedules:**

Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2024	4

Central Coast Council | Permissible income for general rates | for the year ended 30 June 2024

**Central Coast Council****Permissible income for general rates**

\$ '000	Notes	Calculation 2023/24 Restated	Calculation 2024/25
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	204,266	212,705
Plus or minus adjustments <sup>2</sup>	b	553	1,360
<b>Notional general income</b>	c = a + b	<b>204,819</b>	<b>214,065</b>
<b>Permissible income calculation</b>			
Rate peg percentage	d	3.80%	4.80%
plus rate peg amount <sup>3</sup>	f = d x (c + e)	7,783	10,275
<b>Sub-total</b>	g = (c + e + f)	<b>212,602</b>	<b>224,340</b>
Plus (or minus) last year's carry forward total	h	997	894
<b>Sub-total</b>	j = (h + i)	<b>997</b>	<b>894</b>
<b>Total permissible income</b>	k = g + j	<b>213,599</b>	<b>225,234</b>
Less notional general income yield	l	212,705	225,232
<b>Catch-up or (excess) result</b>	m = k - l	<b>894</b>	<b>2</b>
<b>Carry forward to next year <sup>6</sup></b>	p = m + n + o	<b>894</b>	<b>2</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Central Coast Council | Report on infrastructure assets as at 30 June 2024

## Central Coast Council

### Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance <sup>a</sup>	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
<b>Buildings</b>	Buildings	1,728	1,728	21,327	3,093	588,221	1,015,566	10.8%	19.7%	68.9%	0.5%	0.1%
	<b>Sub-total</b>	<b>1,728</b>	<b>1,728</b>	<b>21,327</b>	<b>3,093</b>	<b>588,221</b>	<b>1,015,566</b>	<b>10.8%</b>	<b>19.7%</b>	<b>68.9%</b>	<b>0.5%</b>	<b>0.1%</b>
<b>Other structures</b>	Other structures	159	159	205	34	9,653	13,666	41.0%	43.2%	9.1%	6.6%	0.1%
	<b>Sub-total</b>	<b>159</b>	<b>159</b>	<b>205</b>	<b>34</b>	<b>9,653</b>	<b>13,666</b>	<b>41.0%</b>	<b>43.2%</b>	<b>9.1%</b>	<b>6.6%</b>	<b>0.1%</b>
<b>Roads</b>	Sealed roads	57,116	57,116	12,560	12,242	1,198,021	1,675,833	55.4%	21.9%	13.9%	4.1%	4.7%
	Unsealed roads	13	13	169	175	23,105	33,838	51.5%	40.4%	8.1%	0.0%	0.0%
	Bridges	1,258	1,258	1,770	420	55,280	88,500	18.5%	41.3%	33.4%	6.3%	0.5%
	Footpaths	1,610	1,610	6,054	1,386	182,574	302,707	20.0%	28.9%	48.3%	2.8%	0.0%
	Other road assets	3,819	3,819	8,316	3,775	497,290	831,647	21.4%	21.2%	55.3%	1.9%	0.2%
	Bulk earthworks	–	–	–	–	415,763	415,763	0.0%	0.0%	0.0%	0.0%	100.0%
	<b>Sub-total</b>	<b>63,816</b>	<b>63,816</b>	<b>28,869</b>	<b>17,998</b>	<b>2,372,035</b>	<b>3,348,288</b>	<b>35.9%</b>	<b>20.3%</b>	<b>26.0%</b>	<b>2.9%</b>	<b>14.9%</b>
<b>Water supply network</b>	Water supply network	45,883	45,883	52,530	20,209	1,418,827	2,693,868	17.6%	36.8%	37.1%	8.1%	0.4%
	<b>Sub-total</b>	<b>45,883</b>	<b>45,883</b>	<b>52,530</b>	<b>20,209</b>	<b>1,418,827</b>	<b>2,693,868</b>	<b>17.6%</b>	<b>36.8%</b>	<b>37.1%</b>	<b>8.1%</b>	<b>0.4%</b>
<b>Sewerage network</b>	Sewerage network	36,934	36,934	21,283	25,156	1,613,633	2,837,750	12.9%	67.1%	13.2%	6.4%	0.4%
	<b>Sub-total</b>	<b>36,934</b>	<b>36,934</b>	<b>21,283</b>	<b>25,156</b>	<b>1,613,633</b>	<b>2,837,750</b>	<b>12.9%</b>	<b>67.1%</b>	<b>13.2%</b>	<b>6.4%</b>	<b>0.4%</b>
<b>Stormwater drainage</b>	Stormwater drainage	5,148	5,148	9,491	6,899	1,291,518	1,898,119	60.4%	27.0%	12.4%	0.2%	0.0%
	<b>Sub-total</b>	<b>5,148</b>	<b>5,148</b>	<b>9,491</b>	<b>6,899</b>	<b>1,291,518</b>	<b>1,898,119</b>	<b>60.4%</b>	<b>27.0%</b>	<b>12.4%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	39	39	332	7	7,580	11,067	3.6%	94.4%	0.0%	2.0%	0.0%
	Open Space/Recreational Assets	5,677	5,677	4,174	1,297	185,831	279,336	27.3%	56.6%	13.9%	2.2%	0.0%
	<b>Sub-total</b>	<b>5,716</b>	<b>5,716</b>	<b>4,506</b>	<b>1,304</b>	<b>193,411</b>	<b>290,403</b>	<b>26.4%</b>	<b>58.0%</b>	<b>13.4%</b>	<b>2.2%</b>	<b>0.0%</b>
<b>Other infrastructure assets</b>	Other	425	425	759	89	34,893	50,923	9.5%	74.2%	13.6%	1.8%	0.9%
	<b>Sub-total</b>	<b>425</b>	<b>425</b>	<b>759</b>	<b>89</b>	<b>34,893</b>	<b>50,923</b>	<b>9.5%</b>	<b>74.2%</b>	<b>13.6%</b>	<b>1.8%</b>	<b>0.9%</b>
<b>Total – all assets</b>		<b>159,809</b>	<b>159,809</b>	<b>138,970</b>	<b>74,782</b>	<b>7,522,191</b>	<b>12,148,583</b>	<b>27.9%</b>	<b>37.1%</b>	<b>26.6%</b>	<b>4.2%</b>	<b>4.2%</b>

(a) Required maintenance is the amount identified in Council's asset management plans.

continued on next page ...

Central Coast Council

Report on infrastructure assets as at 30 June 2024 (continued)

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Central Coast Council | Report on infrastructure assets as at 30 June 2024

## Central Coast Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2024	Indicator 2024	Indicator 2023	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals <sup>1</sup>	170,683	96.55%	99.25%	> 100.00%
Depreciation, amortisation and impairment	176,789			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	159,809	2.06%	2.28%	< 2.00%
Net carrying amount of infrastructure assets	7,773,327			
Asset maintenance ratio				
Actual asset maintenance	74,782	53.81%	64.91%	> 100.00%
Required asset maintenance	138,970			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	159,809	1.32%	1.47%	
Gross replacement cost	12,148,583			

(\*) All asset performance indicators are calculated using classes identified in the previous table.

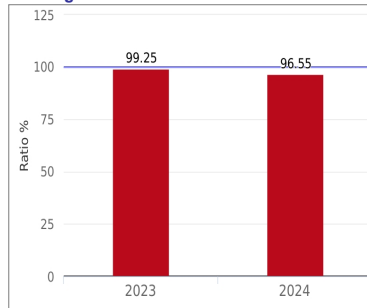
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Central Coast Council | Report on infrastructure assets as at 30 June 2024

## Central Coast Council

## Report on infrastructure assets as at 30 June 2024

## Buildings and infrastructure renewals ratio



## Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

## Commentary on result

23/24 ratio 96.55%

Council is maintaining its buildings and infrastructure renewals program. A ratio greater than 1:1 indicates that the amount spent on asset renewals exceeds the amount of depreciation. Council's 2023/24 capital works program focussed on improving this ratio.

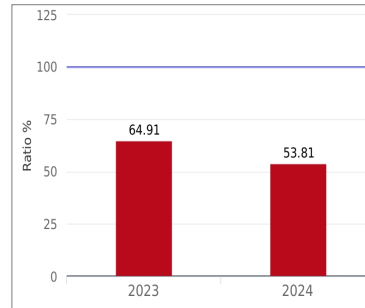
Benchmark: — &gt; 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## Asset maintenance ratio



## Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

## Commentary on result

23/24 ratio 53.81%

Council remains committed to maintaining its infrastructure assets at appropriate levels.

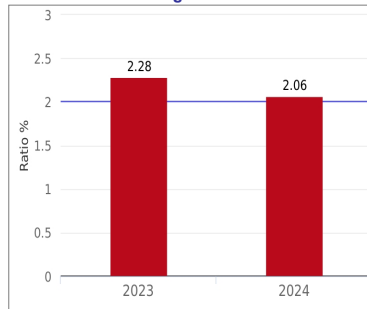
Benchmark: — &gt; 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## Infrastructure backlog ratio



## Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

## Commentary on result

23/24 ratio 2.06%

The cost to bring to satisfactory decreased as a result of continued focus on renewal works during 2023/24. Council will continue to prioritise delivery and maintenance of assets at affordable and satisfactory standards.

Benchmark: — &lt; 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

## Cost to bring assets to agreed service level



## Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

## Commentary on result

23/24 ratio 1.32%

This is the estimated cost to return those assets currently rated at less than excellent condition, to an excellent condition. As Council has not completed community consultation to determine the agreed service levels, this estimate is equal to the cost to bring to satisfactory.

Central Coast Council | Report on infrastructure assets as at 30 June 2024

## Central Coast Council

### Report on infrastructure assets as at 30 June 2024

#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2024	2023	2024	2023	2024	2023	
Buildings and infrastructure renewals ratio							
Asset renewals <sup>1</sup>	104.56%	118.81%	67.22%	43.89%	104.75%	106.37%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	1.68%	1.99%	3.08%	3.17%	2.17%	2.33%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	45.15%	49.60%	38.47%	52.91%	118.20%	148.18%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	1.18%	1.42%	1.68%	1.71%	1.28%	1.34%	
Gross replacement cost							

<sup>(1)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.





## **INDEPENDENT AUDITOR'S REPORT**

### **Special Schedule – Permissible income for general rates**

#### **Central Coast Council**

To the Councillors of Central Coast Council

### **Opinion**

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Central Coast Council (the Council) for the year ending 30 June 2025.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

**Other Information**

The Council's annual report for the year ended 30 June 2024 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors and the former Administrator are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2024.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

**The Councillors' and the former Administrator's Responsibilities for the Schedule**

The Councillors and the former Administrator are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors and the former Administrator's responsibility also includes such internal control as the Councillors and the former Administrator determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors and the former Administrator are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

**Auditor's Responsibilities for the Audit of the Schedule**

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Caroline Karakatsanis  
Delegate of the Auditor-General for New South Wales

24 October 2024  
SYDNEY



# Financial Statements

## Water Supply Authority

### Central Coast Council

---

1 July 2023 to 30 June 2024

Central  
Coast  
Council

## Central Coast Council - Water Supply Authority

### General Purpose Financial Statements

for the year ended 30 June 2024

---

Contents	Page
<b>Statement by the Administrator and Chief Executive Officer</b>	<b>3</b>
<b>Primary Financial Statements:</b>	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
<b>Contents for the notes to the Financial Statements</b>	<b>9</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements	58

---

#### Overview

Central Coast Council Water Supply Authority has its principal place of business at :

2 Hely Sreet, Wyong NSW 2259

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All media releases, financial statements and other information are publicly available on our website : [www.centralcoast.nsw.gov.au](http://www.centralcoast.nsw.gov.au)

## Central Coast Council - Water Supply Authority

### General Purpose Financial Statements

for the year ended 30 June 2024

---

#### Statement by the Administrator and Chief Executive Officer

The attached general purpose financial statements have been prepared in accordance with:

- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board

To the best of our knowledge and belief, these statements:

- present fairly the CCCWSA's operating result and financial position for the year
- accord with CCCWSA's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 27 August 2024.



Rik Hart  
Administrator  
27 August 2024



Marissa Racomelara  
A/Chief Executive Officer  
27 August 2024



Emma Galea  
Responsible Accounting Officer  
27 August 2024

Type text here

Central Coast Council - Water Supply Authority | Income Statement | for the year ended 30 June 2024

## Central Coast Council - Water Supply Authority

### Income Statement

for the year ended 30 June 2024

\$ '000	Notes	Actual 2024	Restated Actual 2023
<b>Income from continuing operations</b>			
Annual charges	B1-1	128,629	106,386
User charges and fees	B1-2	96,468	87,644
Other revenues	B1-3	(60)	18
Grants and contributions provided for operating purposes	B1-4	4,888	432
Grants and contributions provided for capital purposes	B1-4	26,833	49,981
Interest and investment income	B1-5	10,208	5,830
Other income	B1-6	1,399	1,121
<b>Total income from continuing operations</b>		<b>268,365</b>	<b>251,412</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	B2-1	37,829	30,309
Materials and services	B2-2	94,940	73,942
Borrowing costs	B2-3	9,125	9,435
Depreciation, amortisation and impairment of non-financial assets <sup>1</sup>	B2-4	94,359	85,684
Other expenses	B2-5	280	755
Net loss from the disposal of assets	B3-1	3,710	2,507
<b>Total expenses from continuing operations</b>		<b>240,243</b>	<b>202,632</b>
<b>Net operating result for the year attributable to Central Coast Council Water Supply Authority</b>		<b>28,122</b>	<b>48,780</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>1,289</b>	<b>(1,201)</b>

(1) Restated 2022/23

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

Central Coast Council - Water Supply Authority | Statement of Comprehensive Income | for the year ended 30 June 2024

## Central Coast Council - Water Supply Authority

### Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	Restated 2023
<b>Net operating result for the year – from Income Statement</b>		<b>28,122</b>	48,780
<b>Other comprehensive income:</b>			
Amounts that will not be reclassified subsequent to operating result			
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>189,292</u>	<u>257,995</u>
<b>Total other comprehensive income for the year</b>		<u>189,292</u>	<u>257,995</u>
<b>Total comprehensive income for the year attributable to Central Coast Council Water Supply Authority</b>		<u><b>217,414</b></u>	<u>306,775</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Central Coast Council - Water Supply Authority | Statement of Financial Position | as at 30 June 2024

## Central Coast Council - Water Supply Authority

### Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	Restated 2023	Restated 1 July 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	C1-1	12,241	10,153	11,236
Investments	C1-2	113,889	96,084	59,696
Receivables	C1-4	48,154	43,174	37,900
Current assets classified as held for sale		480	480	—
Other	C1-7	256	503	138
<b>Total current assets</b>		<b>175,020</b>	<b>150,394</b>	<b>108,970</b>
<b>Non-current assets</b>				
Investments	C1-2	79,376	79,376	79,376
Receivables	C1-4	2,132	2,549	3,065
Infrastructure, property, plant and equipment (IPPE)	C1-5	4,585,059	4,399,589	4,135,154
Right of use assets	C2-1	718	928	—
<b>Total non-current assets</b>		<b>4,667,285</b>	<b>4,482,442</b>	<b>4,217,595</b>
<b>Total assets</b>		<b>4,842,305</b>	<b>4,632,836</b>	<b>4,326,565</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	C3-1	18,325	19,017	15,365
Contract liabilities	C3-2	6,123	10,747	398
Lease liabilities	C2-1	231	206	—
Borrowings	C3-3	42,978	42,584	41,928
Employee benefit provisions	C3-4	10,663	9,846	8,842
Provisions	C3-5	1,350	1,390	1,756
<b>Total current liabilities</b>		<b>79,670</b>	<b>83,790</b>	<b>68,289</b>
<b>Non-current liabilities</b>				
Contract liabilities	C3-2	8,204	4,528	4,502
Lease liabilities	C2-1	638	844	—
Borrowings	C3-3	141,048	148,287	165,173
Provisions	C3-5	1,882	1,939	1,928
<b>Total non-current liabilities</b>		<b>151,772</b>	<b>155,598</b>	<b>171,603</b>
<b>Total liabilities</b>		<b>231,442</b>	<b>239,388</b>	<b>239,892</b>
<b>Net assets</b>		<b>4,610,863</b>	<b>4,393,448</b>	<b>4,086,673</b>
<b>EQUITY</b>				
Accumulated surplus		3,537,084	3,508,962	3,460,182
IPPE revaluation reserve	C4-1	1,073,778	884,486	626,491
<b>Equity interest</b>		<b>4,610,862</b>	<b>4,393,448</b>	<b>4,086,673</b>
<b>Total equity</b>		<b>4,610,862</b>	<b>4,393,448</b>	<b>4,086,673</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority | Statement of Changes in Equity | for the year ended 30 June 2024

## Central Coast Council - Water Supply Authority

### Statement of Changes in Equity for the year ended 30 June 2024

		2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
\$ '000	Notes				Restated	Restated	Restated
Opening balance at 1 July		3,508,962	884,486	4,393,448	3,452,700	626,491	4,079,191
Correction of prior period errors	F4-1	–	–	–	7,482	–	7,482
<b>Restated opening balance</b>		<b>3,508,962</b>	<b>884,486</b>	<b>4,393,448</b>	<b>3,460,182</b>	<b>626,491</b>	<b>4,086,673</b>
Net operating result for the year		28,122	–	28,122	33,491	–	33,491
Correction of prior period errors	F4-1	–	–	–	15,289	–	15,289
<b>Restated net operating result for the period</b>		<b>28,122</b>	<b>–</b>	<b>28,122</b>	<b>48,780</b>	<b>–</b>	<b>48,780</b>
<b>Other comprehensive income</b>							
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	189,292	189,292	–	257,995	257,995
<b>Total comprehensive income</b>		<b>28,122</b>	<b>189,292</b>	<b>217,414</b>	<b>48,780</b>	<b>257,995</b>	<b>306,775</b>
<b>Restated closing balance at 30 June</b>		<b>3,537,084</b>	<b>1,073,778</b>	<b>4,610,862</b>	<b>3,508,962</b>	<b>884,486</b>	<b>4,393,448</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority | Statement of Cash Flows | for the year ended 30 June 2024

## Central Coast Council - Water Supply Authority

### Statement of Cash Flows

for the year ended 30 June 2024

\$ '000	Notes	Actual 2024	Actual 2023
<b>Cash flows from operating activities</b>			
<b>Receipts:</b>			
Rates and annual charges		128,336	105,789
User charges and fees		95,919	87,705
Interest received		9,773	5,267
Grants and contributions		19,825	39,302
Bonds, deposits and retentions received		23	20
Other		(243)	(4,487)
<b>Payments:</b>			
Payments to employees		(37,275)	(28,853)
Payments for materials and services		(98,945)	(70,627)
Borrowing costs		(9,125)	(9,435)
Other		4,044	(260)
<b>Net cash flows from operating activities</b>	F1-1	<b>112,332</b>	<b>124,421</b>
<b>Cash flows from investing activities</b>			
<b>Receipts:</b>			
Sale of investments		32,082	131,272
Proceeds from sale of IPPE		602	–
<b>Payments:</b>			
Purchase of investments		(48,723)	(167,128)
Payments for IPPE		(87,102)	(73,331)
<b>Net cash flows from investing activities</b>		<b>(103,141)</b>	<b>(109,187)</b>
<b>Cash flows from financing activities</b>			
<b>Receipts:</b>			
Proceeds from borrowings		10,000	–
<b>Payments:</b>			
Repayment of borrowings		(16,845)	(16,230)
Lease payments (AASB 16)		(259)	(87)
<b>Net cash flows from financing activities</b>		<b>(7,104)</b>	<b>(16,317)</b>
<b>Net change in cash and cash equivalents</b>		<b>2,087</b>	<b>(1,083)</b>
Plus: cash and cash equivalents – beginning of period		10,153	11,236
<b>Cash and cash equivalents at end of year</b>	C1-1	<b>12,240</b>	<b>10,153</b>
plus: Investments on hand at end of year	C1-2	193,265	175,460
<b>Total cash, cash equivalents and investments</b>		<b>205,505</b>	<b>185,613</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## Central Coast Council - Water Supply Authority

### Contents for the notes to the Financial Statements for the year ended 30 June 2024

<b>A About Council and these financial statements</b>	<b>12</b>
A1-1 Basis of preparation	12
<b>B Financial Performance</b>	<b>14</b>
<b>B1 Sources of income</b>	<b>14</b>
B1-1 Annual charges	14
B1-2 User charges and fees	14
B1-3 Other revenues	15
B1-4 Grants and contributions	16
B1-5 Interest and investment income	18
B1-6 Other income	18
<b>B2 Costs of providing services</b>	<b>19</b>
B2-1 Employee benefits and on-costs	19
B2-2 Materials and services	20
B2-3 Borrowing costs	20
B2-4 Depreciation, amortisation and impairment of non-financial assets	21
B2-5 Other expenses	22
<b>B3 Gains or losses</b>	<b>22</b>
B3-1 Gain or loss from the disposal, replacement and de-recognition of assets	22
<b>C Financial position</b>	<b>23</b>
<b>C1 Assets we manage</b>	<b>23</b>
C1-1 Cash and cash equivalents	23
C1-2 Financial investments	23
C1-3 Restricted and allocated cash, cash equivalents and investments	25
C1-4 Receivables	26
C1-5 Infrastructure, property, plant and equipment	27
C1-6 Intangible assets	30
C1-7 Other	30
<b>C2 Leasing activities</b>	<b>30</b>
C2-1 Council as a lessee	30
<b>C3 Liabilities of Council</b>	<b>33</b>
C3-1 Payables	33
C3-2 Contract Liabilities	34
C3-3 Borrowings	34
C3-4 Employee benefit provisions	37
C3-5 Provisions	38
<b>C4 Reserves</b>	<b>40</b>
C4-1 Nature and purpose of reserves	40
<b>D Risks and accounting uncertainties</b>	<b>41</b>
D1-1 Risks relating to financial instruments held	41
D2-1 Fair value measurement	44
D3-1 Contingencies	51
<b>E People and relationships</b>	<b>52</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## Central Coast Council - Water Supply Authority

### Contents for the notes to the Financial Statements for the year ended 30 June 2024

---

#### **E1 Related party disclosures**

**52**

E1-1 Key management personnel (KMP)

52

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## Central Coast Council - Water Supply Authority

### Contents for the notes to the Financial Statements for the year ended 30 June 2024

<b>F Other matters</b>	<b>53</b>
F1-1 Statement of Cash Flows information	53
F2-1 Commitments	54
F3-1 Events occurring after the reporting date	55
<b>F4 Changes from prior year statements</b>	<b>55</b>
F4-1 Correction of errors	55

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Central Coast Council Water Supply Authority (CCCWSA) on 31 October 2024.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations.

Central Coast Council, within its overall statutory responsibilities, is a statutory authority for water supply and related purposes, under the *Water Management Act 2000*. CCCWSA controls resources to carry out water supply, sewerage, stormwater drainage and ancillary activities within Central Coast Council local government area and these functions have been consolidated in these financial statements.

CCCWSA is a not for profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and investment property.

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying CCCWSA's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on CCCWSA and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

CCCWSA makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) fair values of infrastructure, property, plant and equipment – refer Note D2
- (ii) employee benefit provisions – refer Note C2-4

#### **Significant judgements in applying the Central Coast Council Water Supply Authority's accounting policies**

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B1-2 – B1-4.

## **Monies and other assets received by Central Coast Council Water Supply Authority**

### **The Consolidated Fund**

These Financial Statements represent the consolidation of Water, Sewerage and Drainage funds.

The notional cash and investment assets of CCCWSA are represented in practice by an equity interest in the general cash and investment assets of Central Coast Council as a whole and all investment assets and bank accounts are held in the name of Central Coast Council.

### **New accounting standards and interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2024 reporting period.

## A1-1 Basis of preparation (continued)

---

CCCWSA has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements CCCWSA does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on CCCWSA's future financial statements, financial position, financial performance or cash flows.

### **New and amended standards adopted by Central Coast Council Water Supply Authority**

During the year CCCWSA adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2024.

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

This Standard did not have a significant impact on CCCWSA's reported position or performance.



Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B Financial Performance

### B1 Sources of income

#### B1-1 Annual charges

\$ '000	2024	2023
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Water supply services	35,588	23,341
Sewerage services	73,901	65,687
Drainage	20,394	18,891
Liquid trade waste	545	585
Less: pensioner rebates (State Government funded)	(2,222)	(2,214)
Less: pensioner rebates (CCCWSA funded)	(1,819)	(1,813)
<b>Annual charges levied</b>	<b>126,387</b>	<b>104,477</b>
Pensioner annual charges subsidies received:		
– Water	1,123	1,028
– Sewerage	1,119	881
<b>Total annual charges</b>	<b>128,629</b>	<b>106,386</b>

#### Material accounting policy information

Annual charges are recognised as revenue at the beginning of the period to which they relate.

Pensioner rebates relate to reductions in certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

#### B1-2 User charges and fees

\$ '000	2024	2023
<b>User charges</b>		
Water supply services	69,891	62,892
Sewerage services	20,481	18,783
Liquid trade waste	3,243	3,036
<b>Total user charges</b>	<b>93,615</b>	<b>84,711</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B1-2 User charges and fees (continued)

\$ '000	2024	2023
<b>Fees</b>		
Building services – other	293	305
Inspection services	54	258
Regulatory/ statutory fees	128	242
Registration fees	5	6
Water connection fees	1,347	989
Sewer connection fees	291	501
Sewer diagrams	426	347
Special water meter reading fees	44	37
Water carters licence fees	178	156
Other	87	92
<b>Total other user charges and fees</b>	<b>2,853</b>	<b>2,933</b>
<b>Total user charges and fees</b>	<b>96,468</b>	<b>87,644</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised at a point in time	96,468	87,644
<b>Total user charges and fees</b>	<b>96,468</b>	<b>87,644</b>

### Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for CCCWSA in relation to refunds or returns.

Where an upfront fee is charged such as joining fees, the fee is recognised on a straight-line basis over the expected life to which the fee relates.

Licences granted by CCCWSA are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

## B1-3 Other revenues

\$ '000	2024	2023
Sales – general	16	2
Other supply/ services	11	15
Other	(87)	1
<b>Total other revenue</b>	<b>(60)</b>	<b>18</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised at a point in time	(60)	18
<b>Total other revenue</b>	<b>(60)</b>	<b>18</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B1-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023 <sup>1</sup>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Drainage / environment	–	–	101	1,136
Environmental programs	40	60	–	–
LIRS subsidy	–	4	–	–
Water / sewer infrastructure	–	–	11,259	18,419
Transport (other roads and bridges funding)	4,427	–	–	–
Other specific grants	355	275	–	–
Sewerage (excl. section 64 contributions)	–	–	(3)	–
Other contributions	66	93	(3)	2
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>4,888</b>	<b>432</b>	<b>11,354</b>	<b>19,557</b>
<b>Non-cash contributions</b>				
Donated assets <sup>1</sup>	–	–	5,541	19,836
<b>Total other contributions – non-cash</b>	<b>–</b>	<b>–</b>	<b>5,541</b>	<b>19,836</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>4,888</b>	<b>432</b>	<b>16,895</b>	<b>39,393</b>
<b>Total grants and non-developer contributions</b>	<b>4,888</b>	<b>432</b>	<b>16,895</b>	<b>39,393</b>
<b>Comprising:</b>				
– Commonwealth funding	–	–	101	145
– State funding	4,822	338	5,536	19,412
– Other funding	66	94	11,258	19,836
	<b>4,888</b>	<b>432</b>	<b>16,895</b>	<b>39,393</b>
 <b>Developer contributions</b>				
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>				
<b>Cash contributions</b>				
S 64 – water supply contributions	–	–	3,339	3,325
S 64 – sewerage service contributions	–	–	2,353	2,851
S 7.11 – drainage assets	–	–	2,281	2,677
<b>Total developer contributions – cash</b>	<b>–</b>	<b>–</b>	<b>7,973</b>	<b>8,853</b>
<b>Non-cash contributions</b>				
S 64 – water supply contributions	–	–	682	1,015
S 64 – sewerage service contributions	–	–	301	720
S 7.11 – stormwater contributions	–	–	982	–
<b>Total developer contributions non-cash</b>	<b>–</b>	<b>–</b>	<b>1,965</b>	<b>1,735</b>
<b>Total developer contributions</b>	<b>–</b>	<b>–</b>	<b>9,938</b>	<b>10,588</b>
<b>Total contributions</b>	<b>–</b>	<b>–</b>	<b>9,938</b>	<b>10,588</b>
<b>Total grants and contributions</b>	<b>4,888</b>	<b>432</b>	<b>26,833</b>	<b>49,981</b>
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time	4,876	377	9,938	10,590
Grants and contributions recognised at a point in time	12	55	16,895	39,391
<b>Total grants and contributions</b>	<b>4,888</b>	<b>432</b>	<b>26,833</b>	<b>49,981</b>

continued on next page ...

Page 16 of 58

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B1-4 Grants and contributions (continued)

### Unspent grants and contributions

Certain grants and contributions are obtained by CCCWSA on condition that they be spent in a specified manner:

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	83	77	12,732	2,375
<b>Add:</b> Funds received and not recognised as revenue in the current year	929	83	–	10,477
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(52)	(77)	(1,337)	(120)
<b>Unspent funds at 30 June</b>	<b>960</b>	<b>83</b>	<b>11,395</b>	<b>12,732</b>
<b>Contributions</b>				
Unspent funds at 1 July	30	–	64,956	63,745
<b>Add:</b> contributions received and not recognised as revenue in the current year	–	30	11,971	7,168
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(4,242)	(5,957)
<b>Unspent contributions at 30 June</b>	<b>30</b>	<b>30</b>	<b>72,685</b>	<b>64,956</b>

Various developer contributions unspent and held as a restriction at year end.

### Material accounting policy information

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but may include specific trigger events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

#### Capital grants

Capital grants received by CCCWSA under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under CCCWSA's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by CCCWSA.

#### Developer contributions

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

#### B1-4 Grants and contributions (continued)

CCCWSA has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While CCCWSA generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by CCCWSA, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to CCCWSA.

Developer contributions may only be expended for the purposes for which the contributions were required, but CCCWSA may apply contributions according to the priorities established in work schedules for the contribution plan.

##### Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. CCCWSA considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

#### B1-5 Interest and investment income

\$ '000	2024	2023
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue annual charges	1,655	715
– Cash and investments	8,553	5,115
<b>Total interest and investment income</b>	<b>10,208</b>	<b>5,830</b>

##### Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned.

#### B1-6 Other income

\$ '000	2024	2023
<b>Fair value increment on investments</b>		
Fair value increment on investments through profit and loss	1,399	1,121
<b>Total Fair value increment on investments</b>	<b>1,399</b>	<b>1,121</b>
<b>Total other income</b>	<b>1,399</b>	<b>1,121</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B2 Costs of providing services

### B2-1 Employee benefits and on-costs

\$ '000	2024	2023
Salaries and wages	30,935	23,935
Employee termination costs	1	143
Employee leave entitlements	6,033	3,966
Superannuation	3,290	4,613
Payroll tax	2,237	1,768
Workers Compensation	(20)	(91)
<b>Total employee costs</b>	<b>42,476</b>	<b>34,334</b>
Less: capitalised costs	(4,647)	(4,025)
<b>Total employee costs expensed</b>	<b>37,829</b>	<b>30,309</b>

#### Material accounting policy information

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

All employees of CCCWSA are entitled to benefits on retirement, disability or death. CCCWSA contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

CCCWSA participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore CCCWSA accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B2-2 Materials and services

\$ '000	2024	2023
Raw materials and consumables	15,145	12,575
Contractor costs	22,828	12,466
Audit Fees	6	10
Agency Hire	635	360
<b>Previously other expenses:</b>		
Administration support	27,810	22,575
Advertising	53	8
Computer software charges	890	636
Electricity and heating	10,890	11,645
Gas charges	4	15
Insurance	153	83
Licences	524	482
Plant hire	4,584	5,786
Printing and stationery	141	58
Travel expenses	9	1
Subscriptions and publications	17	15
Telephone and communications	39	35
Tipping fees	9,926	6,277
Training costs (other than salaries and wages)	191	121
Water purchases	637	567
Other expenses	458	227
<b>Total materials and services</b>	<b>94,940</b>	<b>73,942</b>

### Material accounting policy information

Expenses are recorded on an accruals basis as CCCWSA receives the goods or services.

## B2-3 Borrowing costs

\$ '000	2024	2023
Interest on leases	46	54
Interest on loans	9,007	9,283
Other debts	72	98
<b>Total borrowing costs expensed</b>	<b>9,125</b>	<b>9,435</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B2-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
<b>Depreciation and amortisation</b>			
Plant and equipment		46	38
Office equipment		26	29
Furniture and fittings		14	13
Land improvements (depreciable)		25	23
<b>Infrastructure:</b>	C1-5		
– Buildings – specialised		1,057	859
– Other structures		25	10
– Roads		1	–
– Stormwater drainage <sup>1</sup>		14,040	13,419
– Water supply network <sup>1</sup>		37,605	34,669
– Sewerage network <sup>1</sup>		41,221	36,411
– Other open space/recreational assets		45	–
– Other infrastructure		9	–
<b>Right of use assets</b>	C2-1	241	209
<b>Other assets:</b>			
– Other		4	4
<b>Total gross depreciation and amortisation costs</b>		<b>94,359</b>	<b>85,684</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>94,359</b>	<b>85,684</b>

### Material accounting policy information

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

#### Impairment of non-financial assets

CCCWSA assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement. When a net revaluation increment reverses a net revaluation decrement previously recognised as an expense in the trading result in respect of the same class of non-current asset, it must be recognised immediately as revenue in the trading account.

(1) Restated 2022/23



Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## B2-5 Other expenses

\$ '000	Notes	2024	2023
<b>Impairment of receivables</b>			
Other		45	166
<b>Total impairment of receivables</b>	C1-4	<b>45</b>	<b>166</b>
<b>Fair value decrement on investments</b>			
Fair value decrement on investments through profit and loss		235	589
<b>Total Fair value decrement on investments</b>	C1-2	<b>235</b>	<b>589</b>
<b>Total other expenses</b>		<b>280</b>	<b>755</b>

### Material accounting policy information

Other expenses are recorded on an accruals basis when CCCWSA has an obligation for the expense.

Impairment expenses are recognised when identified.

## B3 Gains or losses

### B3-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2024	2023
<b>Gain (or loss) on disposal of property</b>			
Proceeds from disposal – property		602	–
Less: carrying amount of property assets sold/written off		(201)	(14)
<b>Gain (or loss) on disposal</b>		<b>401</b>	<b>(14)</b>
<b>Gain (or loss) on disposal of infrastructure</b>			
	C1-5		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(4,111)	(2,493)
<b>Gain (or loss) on disposal</b>		<b>(4,111)</b>	<b>(2,493)</b>
<b>Gain (or loss) on disposal of investments</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		32,082	131,272
Less: carrying amount of investments sold/redeemed/matured		(32,082)	(131,272)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(3,710)</b>	<b>(2,507)</b>

### Material accounting policy information

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2024	2023
Cash equivalent assets		
– Deposits at call	12,241	10,153
<b>Total cash and cash equivalents</b>	<b>12,241</b>	<b>10,153</b>

#### Material accounting policy information

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. CCCWSA does not have a bank overdraft facility.

#### C1-2 Financial investments

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Government and non-government Bonds	24,154	6,900	–	14,727
NCD's, FRN's	27,699	65,857	14,916	60,060
<b>Total</b>	<b>51,853</b>	<b>72,757</b>	<b>14,916</b>	<b>74,787</b>
<b>Debt securities at amortised cost</b>				
Long term deposits	62,036	6,619	81,168	4,589
<b>Total</b>	<b>62,036</b>	<b>6,619</b>	<b>81,168</b>	<b>4,589</b>
<b>Total financial investments</b>	<b>113,889</b>	<b>79,376</b>	<b>96,084</b>	<b>79,376</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>126,130</b>	<b>79,376</b>	<b>106,237</b>	<b>79,376</b>

#### Material accounting policy information

Financial instruments are recognised initially on the date that CCCWSA becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, CCCWSA classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

CCCWSA's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than three months are classified as investments rather than cash and cash equivalents.

## C1-2 Financial investments (continued)

---

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

### **Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

CCCWSA's financial assets measured at fair value through profit or loss comprise investments in FRN's and NCD's in the Statement of Financial Position.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>205,506</b>	185,613
Less: Externally restricted cash, cash equivalents and investments	<u>(87,277)</u>	<u>(80,357)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>118,229</b>	105,256

#### External restrictions

##### External restrictions – included in liabilities

External restrictions included in cash, cash equivalents and investments above comprise:

#### External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – water fund	14,023	10,288
Developer contributions – sewer fund	18,913	18,086
Developer contributions – drainage	36,566	33,493
Developer contributions – VPA – water	1,113	1,079
Developer contributions – VPA – sewer	523	507
Developer contributions – VPA – drainage	1,448	1,403
Specific purpose unexpended grants (recognised as revenue) – water fund	2,275	2,286
Specific purpose unexpended grants (recognised as revenue) – sewer fund	9,140	10,498
Specific purpose unexpended grants (recognised as revenue) – drainage fund	940	31
Specific purpose unexpended contributions (recognised as revenue)	130	130
Self insurance – sewer	1,052	1,078
Self insurance – water	1,154	1,478
<b>External restrictions</b>	<b>87,277</b>	80,357
<b>Total external restrictions</b>	<b>87,277</b>	80,357

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2024	2023
---------	------	------

### (b) Internal allocations

#### Internal allocations

At 30 June, Council has internally allocated funds to the following:

Employee leave entitlement – water	1,147	974
Employees leave entitlement – sewer	996	935
Employee leave entitlement – drainage	19	21
Multi-year projects	–	48
<b>Total internal allocations</b>	<b>2,162</b>	1,978

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

\$ '000	2024	2023
---------	------	------

### (c) Unrestricted and unallocated

<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>116,067</b>	103,278
--	----------------	---------

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	1	–	2	–
Interest and extra charges	983	–	691	–
User charges and fees	11,776	2,093	11,075	2,310
Accrued revenues				
– Interest on investments	1,139	–	996	–
– User charges and fees	14,683	–	13,480	–
– Government subsidies	2,241	–	5,296	–
Drainage annual charges	2,148	–	1,914	–
Government grants and subsidies	3,507	–	–	–
Net GST receivable	857	–	1,129	–
Sewerage annual charges	7,318	–	6,425	–
Water annual charges	3,165	–	2,049	–
Other debtors	391	39	172	239
<b>Total</b>	<b>48,209</b>	<b>2,132</b>	<b>43,229</b>	<b>2,549</b>
<b>Less: provision for impairment</b>				
Other debtors	(55)	–	(55)	–
<b>Total provision for impairment – receivables</b>	<b>(55)</b>	<b>–</b>	<b>(55)</b>	<b>–</b>
<b>Total net receivables</b>	<b>48,154</b>	<b>2,132</b>	<b>43,174</b>	<b>2,549</b>

### Material accounting policy information

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

### Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, CCCWSA considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on CCCWSA's historical experience and informed credit assessment, and including forward-looking information.

CCCWSA uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for annual charges debtors, CCCWSA takes into account that unpaid annual charges represent a charge against the rateable property that will be recovered when the property is next sold.

Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

CCCWSA writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are beyond the applicable statute of limitations period, whichever occurs first.

Where CCCWSA renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023 <sup>1</sup>			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount <sup>1</sup>	Accumulated depreciation and impairment <sup>1</sup>	Net carrying amount <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)		Gross carrying amount <sup>1</sup>	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	104,830	—	104,830	90,014	—	—	(77,206)	514	—		118,153	—	118,153
Plant and equipment	1,655	(1,219)	436	—	—	(46)	72	—	—		1,727	(1,265)	462
Office equipment	173	(144)	29	—	—	(26)	121	—	—		294	(171)	123
Furniture and fittings	183	(105)	78	—	—	(14)	27	—	—		209	(118)	91
<b>Land:</b>													
— Operational land	79,231	—	79,231	—	—	—	—	(748)	—		78,483	—	78,483
— Crown and Community land	16,995	—	16,995	—	—	—	—	348	(180)		17,164	—	17,164
— Land under roads (post 30/6/08)	—	—	—	—	—	—	—	137	—		137	—	137
Land improvements – depreciable	578	(140)	438	—	—	(25)	—	—	29		618	(176)	442
<b>Infrastructure:</b>													
— Buildings – specialised	66,479	(25,438)	41,041	—	(201)	(1,057)	3,885	—	2,771		74,691	(28,252)	46,439
— Other structures	212	(55)	157	—	—	(25)	317	(19)	—		500	(70)	430
— Roads	—	—	—	—	—	(1)	59	19	3		63	(1)	62
— Stormwater drainage	1,818,451	(574,093)	1,244,358	2,986	(1,103)	(14,040)	16,143	(212)	40,703		1,895,797	(606,537)	1,289,260
— Water supply network	2,554,069	(1,177,523)	1,376,546	415	(519)	(37,605)	11,526	—	68,464		2,693,866	(1,275,041)	1,418,825
— Sewerage network	2,666,640	(1,131,238)	1,535,402	749	(2,489)	(41,221)	43,874	—	77,316		2,837,747	(1,224,117)	1,613,630
— Other open space/recreational assets	—	—	—	—	—	(45)	904	—	167		1,080	(54)	1,026
— Other infrastructure	—	—	—	—	—	(9)	278	—	19		298	(10)	288
<b>Other assets:</b>													
— Other	58	(10)	48	—	—	(4)	—	—	—		58	(14)	44
<b>Total infrastructure, property, plant and equipment</b>	<b>7,309,554</b>	<b>(2,909,965)</b>	<b>4,399,589</b>	<b>94,164</b>	<b>(4,312)</b>	<b>(94,118)</b>	<b>—</b>	<b>39</b>	<b>189,292</b>		<b>7,720,885</b>	<b>(3,135,826)</b>	<b>4,585,059</b>

(1) Restated 2022/23

continued on next page ...

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022 <sup>2</sup>										At 30 June 2023		
	Gross carrying amount <sup>2</sup> Restated	Accumulated depreciation and impairment <sup>2</sup> Restated	Net carrying amount <sup>2</sup> Restated	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)		Gross carrying amount <sup>2</sup>	Accumulated depreciation and impairment <sup>2</sup>	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	71,418	—	71,418	75,100	—	—	(41,688)	—	—		104,830	—	104,830
Plant and equipment	1,320	(1,167)	153	—	—	(38)	249	73	—		1,655	(1,219)	436
Office equipment	173	(116)	57	—	—	(29)	—	—	—		173	(144)	29
Furniture and fittings	183	(92)	91	—	—	(13)	—	—	—		183	(105)	78
<b>Land:</b>													
— Operational land	93,307	—	93,307	—	—	—	—	(360)	(13,716)		79,231	—	79,231
— Crown and Community land	16,991	—	16,991	—	—	—	—	50	(46)		16,995	—	16,995
Land improvements – depreciable	542	(108)	434	—	—	(23)	—	—	27		578	(140)	438
<b>Infrastructure:</b>													
— Buildings – specialised	61,730	(24,989)	36,741	584	(14)	(859)	492	(296)	4,395		66,479	(25,438)	41,041
— Other structures	204	(42)	162	—	—	(10)	—	5	—		212	(55)	157
— Stormwater drainage	1,711,966	(532,963)	1,179,003	10,222,977	(329)	(13,419)	9,032	—	59,852		1,818,451	(574,093)	1,244,358
— Water supply network	2,363,398	(1,060,610)	1,302,788	3,225,252	(1,374)	(34,669)	8,366	—	98,210		2,554,069	(1,177,523)	1,376,546
— Sewerage network	2,450,627	(1,016,670)	1,433,957	5,826,789	(791)	(36,411)	23,549	—	109,273		2,666,640	(1,131,238)	1,535,402
<b>Other assets:</b>													
— Other	58	(6)	52	—	—	(4)	—	—	—		58	(10)	48
<b>Total infrastructure, property, plant and equipment</b>	<b>6,771,917</b>	<b>(2,636,763)</b>	<b>4,135,154</b>	<b>19,350,702</b>	<b>(2,508)</b>	<b>(85,475)</b>	<b>—</b>	<b>(528)</b>	<b>257,995</b>		<b>7,309,554</b>	<b>(2,909,965)</b>	<b>4,399,589</b>

(2) Restated 2021/22

## C1-5 Infrastructure, property, plant and equipment (continued)

### Material accounting policy information

#### Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by CCCWSA at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to CCCWSA and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

#### Useful lives of IPPE

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	<b>Years</b>	<b>Buildings</b>	<b>Years</b>
Office furniture	3 to 50	Buildings	10 to 80
Other plant and equipment	2 to 37		
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	10 to 200	Drains	10 to 120
Bores	15 to 30	Culverts	120
Reticulation pipes	14 to 120	Flood control structures	20 to 100
<b>Other assets</b>	<b>5 to 500</b>	<b>Land improvements - depreciable</b>	<b>6 to 100</b>

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

#### Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by CCCWSA at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Housing and Infrastructure.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.



Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## C1-6 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
<b>Drainage Easements</b>		
<b>Opening values at 1 July</b>		
Gross book value	–	4,172
Accumulated amortisation and impairment	–	(4,172)
<b>Net book value – opening balance</b>	<b>–</b>	<b>–</b>
<b>Closing values at 30 June</b>		
Gross book value	–	–
Accumulated amortisation and impairment	–	–
<b>Total drainage easements – net book value</b>	<b>–</b>	<b>–</b>

### Material accounting policy information

#### Drainage easements

Easements (the right of access over land) are no longer recognised as intangible assets.

## C1-7 Other

### Other assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Prepayments	256	–	503	–
<b>Total other assets</b>	<b>256</b>	<b>–</b>	<b>503</b>	<b>–</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of leases

##### Buildings

Council leases land and buildings to support some of its operational activities. The leases are generally between 3 and 50 years with one containing a renewal option to allow Council to renew the non-cancellable lease term at their discretion. A number of leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

##### Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

##### Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations; the extension options are at Council's discretion. At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## C2-1 Council as a lessee (continued)

### (a) Right of use assets

\$ '000	Plant & Equipment	Right-of-Use Assets	Total
<b>2024</b>			
Opening balance at 1 July	–	928	928
Adjustments due to re-measurement of lease liability	–	32	32
Depreciation charge	–	(242)	(242)
<b>Balance at 30 June</b>	<b>–</b>	<b>718</b>	<b>718</b>
<b>2023</b>			
Reclassified to Water and Sewer	–	1,137	1,137
Depreciation charge	–	(209)	(209)
<b>Balance at 30 June</b>	<b>–</b>	<b>928</b>	<b>928</b>

### (b) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2024</b>					
Cash flows	231	638	–	869	869
<b>2023</b>					
Cash flows	206	844	–	1,050	1,050

### (c) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2024	2023
Interest on lease liabilities	46	54
Depreciation of right of use assets	241	209
	<b>287</b>	<b>263</b>

### (d) Statement of Cash Flows

Total cash outflow for leases	259	248
	<b>259</b>	<b>248</b>

### Material accounting policy information

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

## C2-1 Council as a lessee (continued)

---

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

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 then Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

### **Exceptions to lease accounting**

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Leases at significantly below market value / Concessionary leases**

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
<b>Payables</b>				
Prepaid annual charges	3,750	–	4,044	–
Goods and services – operating expenditure	5,460	–	9,512	–
Accrued expenses:				
– Interest on borrowings	618	–	554	–
– Salaries and wages	189	–	452	–
– Other expenditure accruals	8,175	–	4,345	–
Security bonds, deposits and retentions	133	–	110	–
<b>Total payables</b>	<b>18,325</b>	<b>–</b>	<b>19,017</b>	<b>–</b>
<b>Total payables</b>	<b>18,325</b>	<b>–</b>	<b>19,017</b>	<b>–</b>

#### Current payables not expected to be settled within the next twelve months

\$ '000	2024	2023
Payables – overpayments, security bonds, deposits and retentions	4,248	4,687
<b>Total payables</b>	<b>4,248</b>	<b>4,687</b>

#### Material accounting policy information

CCCWSA measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Payables represent liabilities for goods and services provided to CCCWSA prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Unexpended Capital Grants and Contributions (to construct CCCWSA controlled assets)	(i)	5,081	7,914	10,577	2,255
Unexpended Operating Grants and Contributions (received prior to performance obligation being satisfied – AASB 15)	(ii)	990	–	113	1,923
<b>User fees and charges received in advance:</b>					
Deposits and payments received in advance of services provided		52	290	57	350
<b>Total contract liabilities</b>		<b>6,123</b>	<b>8,204</b>	<b>10,747</b>	<b>4,528</b>

#### Notes

(i) CCCWSA has received funding to construct assets including environmental and other infrastructure. The funds received are under an enforceable contract which require CCCWSA to construct an identified asset which will be under CCCWSA's control on completion. The revenue is recognised as CCCWSA constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants or contributions received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

#### Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2024	2023
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	1,337	120
Operating grants (received prior to performance obligation being satisfied)	2,500	76
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>3,837</b>	<b>196</b>

#### Significant changes in contract liabilities

There was no significant change to contract liabilities aside from the current year recognised revenue noted above.

#### Material accounting policy information

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to CCCWSA transferring a good or service to the customer, CCCWSA presents the funds which exceed revenue recognised as a contract liability.

### C3-3 Borrowings

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Loans – secured	15,805	123,821	15,462	129,626
Loans – unsecured	27,173	17,227	27,122	18,661
<b>Total borrowings</b>	<b>42,978</b>	<b>141,048</b>	<b>42,584</b>	<b>148,287</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C3-3 Borrowings (continued)

#### (a) Changes in liabilities arising from financing activities

	2023		Non-cash movements				2024	
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement (Lease Liability Remeasurements)	Closing balance	
<b>\$ '000</b>								
Loans – secured	145,088	(5,462)	–	–	–	–	139,626	
Loan – unsecured	45,783	(1,383)	–	–	–	–	44,400	
Lease liability (Note C2-1b)	1,050	(259)	–	–	–	78	869	
<b>Total liabilities from financing activities</b>	<b>191,921</b>	<b>(7,104)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>78</b>	<b>184,895</b>	

	2022		Non-cash movements				2023	
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance	
<b>\$ '000</b>								
Loans – secured	159,979	(14,891)	–	–	–	–	145,088	
Loan – unsecured	47,122	(1,339)	–	–	–	–	45,783	
Lease liability (Note C2-1b)	–	1,050	–	–	–	–	1,050	
<b>Total liabilities from financing activities</b>	<b>207,101</b>	<b>(15,180)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>191,921</b>	

#### (b) Financing arrangements

<b>\$ '000</b>	<b>2024</b>	<b>2023</b>
----------------	-------------	-------------

##### Total facilities

Total financing facilities available to Council at the reporting date are:

Loan drawdown facilities	<b>50,000</b>	–
<b>Total financing arrangements</b>	<b>50,000</b>	–

##### Drawn facilities

Financing facilities drawn down at the reporting date are:

– Loan drawdown facilities	<b>10,000</b>	–
<b>Total drawn financing arrangements</b>	<b>10,000</b>	–

##### Undrawn facilities

Undrawn financing facilities available to Council at the reporting date are:

– Loan drawdown facilities	<b>40,000</b>	–
<b>Total undrawn financing arrangements</b>	<b>40,000</b>	–

#### Additional financing arrangements information

##### Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

##### Security over loans

Loans are secured over future cash flows of CCCWSA.

#### Material accounting policy information

CCCWSA measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or

### C3-3 Borrowings (continued)

---

transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C3-4 Employee benefit provisions

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Annual leave	3,513	–	3,588	–
Vested sick leave	962	–	919	–
Long service leave	5,722	–	4,974	–
Other leave	466	–	365	–
<b>Total employee benefit provisions</b>	<b>10,663</b>	<b>–</b>	<b>9,846</b>	<b>–</b>

#### Current employee benefit provisions not expected to be settled within the next twelve months

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	5,485	4,844
	<b>5,485</b>	<b>4,844</b>

#### Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if CCCWSA does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

#### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

#### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.



Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Self insurance – workers compensation	324	1,882	617	1,939
Self insurance – public liability	495	–	349	–
Payroll tax	531	–	424	–
<b>Sub-total – other provisions</b>	<b>1,350</b>	<b>1,882</b>	<b>1,390</b>	<b>1,939</b>
<b>Total provisions</b>	<b>1,350</b>	<b>1,882</b>	<b>1,390</b>	<b>1,939</b>

### Movements in provisions

\$ '000	Self insurance	Other (Payroll Tax)	Total
<b>2024</b>			
At beginning of year	2,905	424	3,329
Additional provisions	113	2,344	2,457
Amounts used (payments)	(317)	(2,237)	(2,554)
<b>Total other provisions at end of year</b>	<b>2,701</b>	<b>531</b>	<b>3,232</b>
<b>2023</b>			
At beginning of year	3,260	424	3,684
Additional provisions	(27)	1,768	1,741
Amounts used (payments)	(328)	(1,768)	(2,096)
<b>Total other provisions at end of year</b>	<b>2,905</b>	<b>424</b>	<b>3,329</b>

### Nature and purpose of provisions

#### Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from CCCWSA's decision to undertake self-insurance for certain risks faced.

#### Payroll tax and other

To recognise liabilities for miscellaneous employee provisions not relating to leave entitlements and outstanding payroll tax arising from CCWSA's water and sewer activities.

### Material accounting policy information

Provisions are recognised when CCCWSA has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

#### Self-insurance

CCCWSA has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. CCCWSA also maintains cash and investments to meet expected future claims; refer to Note C1-3.

Self Insurance Provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council being a self insurer for Workers Compensation Claims.

Public Liability and Professional Indemnity claims are expensed as they meet the recognition criteria as set out in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

### C3-5 Provisions (continued)

---

- A wage inflation index was used for future claims escalation. A bond yield of between 0.850% and 3.845% per annum over a 50 year period.

- All monetary amounts for past Workers Compensation claims were indexed to bring them to 'standardised' values at 30 June 2024.

- Workers Compensation claim payments projected into the future by the adopted actuarial model are in 'standardised' values as at 30 June 2024.

The last actuarial assessment of Workers Compensation Claims was undertaken in July 2024 for the financial position as at 30 June 2024 and was performed by David A Zaman Pty Ltd. Director David Zaman, BSc, FIA, FIAA, MBA.

## C4 Reserves

### C4-1 Nature and purpose of reserves

---

#### **IPPE Revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

CCCWSA's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of CCCWSA.

Council's objective on behalf of CCCWSA is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with s625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up and performance of the portfolio as required by local government regulations.

CCCWSA does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance team under policies approved by Council.

The fair value of CCCWSA's financial assets and financial liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that CCCWSA will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to CCCWSA.

CCCWSA manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. CCCWSA also seeks advice from independent advisers before placing any cash and investments.

#### (a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	2,055	1,856
Impact of a 10% movement in price of investments		
– Equity / Income Statement	20,551	18,561

#### (b) Credit risk

CCCWSA's major receivables comprise annual charges, user charges and fees.

CCCWSA manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than CCCWSA has significant credit risk exposures in its local area given the nature of CCCWSA's activities.

The level of outstanding receivables is reported to CCCWSA monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## D1-1 Risks relating to financial instruments held (continued)

### Credit risk profile

#### Receivables – Annual Charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet due	Overdue rates and charges		Total
		< 5 years	> 5 years	
<b>2024</b>				
Gross carrying amount	7,383	5,247	–	12,630
<b>2023</b>				
Gross carrying amount	6,050	4,051	287	10,388

#### Receivables - Non-rates and Annual Charges

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet due	< 30 days	Overdue debts			Total
			31 - 60 days	61 - 90 days	> 90 days	
<b>2024</b>						
Gross carrying amount	4,083	1,220	930	143	34,839	41,215
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.16%	0.13%
ECL provision	–	–	–	–	55	55
<b>2023</b>						
Gross carrying amount	3,495	–	–	–	31,722	35,217
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.17%	0.15%
ECL provision	–	–	–	–	54	54

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## D1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

Payables and borrowings are both subject to liquidity risk; that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. CCCWSA manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended in extenuating circumstances.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. CCCWSA manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2024</b>							
Payables	0.00%	–	14,441	3,883	–	18,324	18,325
Borrowings	5.39%	–	25,796	92,950	102,625	221,371	184,026
<b>Total financial liabilities</b>		<b>–</b>	<b>40,237</b>	<b>96,833</b>	<b>102,625</b>	<b>239,695</b>	<b>202,351</b>
<b>2023</b>							
Payables	0.00%	–	14,863	4,154	–	19,017	19,017
Borrowings	6.13%	–	25,542	95,836	108,594	229,972	190,871
<b>Total financial liabilities</b>		<b>–</b>	<b>40,405</b>	<b>99,990</b>	<b>108,594</b>	<b>248,989</b>	<b>209,888</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## D2-1 Fair value measurement

CCCWSA measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

### Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by CCCWSA:

Fair value measurement hierarchy									
\$ '000	Notes	Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
<b>Recurring fair value measurements</b>									
<b>Financial assets</b>									
Financial investments	C1-2								
At fair value through profit or loss		124,610	89,703	—	—	—	—	124,610	89,703
<b>Total financial assets</b>		<b>124,610</b>	<b>89,703</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>124,610</b>	<b>89,703</b>
<b>Infrastructure, property, plant and equipment</b>									
Plant and equipment		—	—	—	—	462	436	462	436
Office equipment		—	—	—	—	123	29	123	29
Furniture and fittings		—	—	—	—	91	78	91	78
Operational land		—	—	—	—	78,483	79,231	78,483	79,231
Crown and Community land		—	—	—	—	17,164	16,995	17,164	16,995
Land under roads		—	—	—	—	137	—	137	—
Land improvements - depreciable		—	—	—	—	441	438	441	438
Buildings – specialised		—	—	—	—	46,439	41,041	46,439	41,041
Other structures		—	—	—	—	429	157	429	157
Roads		—	—	—	—	61	—	61	—
Bulk earthworks (non depreciable)		—	—	—	—	—	—	—	—
Stormwater drainage		—	—	—	—	1,289,262	1,244,358	1,289,262	1,244,358
Water supply network		—	—	—	—	1,418,828	1,376,546	1,418,828	1,376,546
Sewerage network		—	—	—	—	1,613,632	1,535,402	1,613,632	1,535,402
Other Open Space/Rec Assets		—	—	—	—	1,026	—	1,026	—
Other Infrastructure		—	—	—	—	288	—	288	—
Other assets		—	—	—	—	44	48	44	48
<b>Total infrastructure, property, plant and equipment</b>	C1-5	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,466,910</b>	<b>4,294,759</b>	<b>4,466,910</b>	<b>4,294,759</b>

## D2-1 Fair value measurement (continued)

### Valuation techniques

Where CCCWSA is unable to derive fair valuations using quoted market prices of identical assets (ie. Level 1 inputs), or observable inputs (Level 2 inputs), it utilises unobservable inputs (Level 3 inputs).

The fair valuation techniques CCCWSA has employed while utilising level 2 and level 3 inputs are as follows:

### Infrastructure, property, plant and equipment (IPPE)

#### Plant and equipment, office equipment and furniture and fittings

Plant and equipment, office equipment and furniture and fittings assets are recognised and valued at cost. CCCWSA assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. Therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- plant and equipment
  - o Major plant items – tractors, excavators, street sweepers, tippers, rollers, forklifts, backhoes, beach cleaners
  - o Minor plant items – generators, mowers, weed harvester, trailers, chainsaws, wood chippers, power hand tools
  - o Fleet vehicles – trucks, commercial vehicles and passenger vehicles
- office equipment – computer hardware, communications equipment, digital cameras, photocopiers
- furniture and fittings – work stations, storage cabinets, CCTV, air conditioning units.

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

CCCWSA reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

#### Operational land

This asset class is comprised of all CCCWSA's land classified as operational land under the *Local Government Act 1993*. CCCWSA's accounting policy is to value the freehold land on a market value basis.

CCCWSA engaged Scott Fullarton Valuation Pty Ltd to value operational land in 2023. The land was valued using level 3 inputs that would be taken into account by buyers and sellers in setting the price, including but not limited to dimensions, land use and zoning, exposure to traffic and topography.

This asset class was assessed fair value at 30 June 2024 using the movement in NSW Valuer General's valuations. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

#### Crown and Community land

Community Land assets are comprised of CCCWSA owned land classified as Community Land under the Local Government Act 1993. Crown land is under the care and management of CCCWSA on behalf of the Crown.

CCCWSA accounting policy is to value Crown and Community land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location).

These are considered level 3 observable inputs.

Crown and Community land have been valued at 30 June 2024 using the VG valuations for 2023-2024.

#### Buildings – specialised

It is CCCWSA's accounting policy to value buildings for which a market exists using the best estimate of the price reasonably obtainable in the market at the date of valuation. Where there is no depth in market the buildings will be determined on the depreciated current replacement cost basis.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting



## D2-1 Fair value measurement (continued)

equipment, and general lighting). The buildings and site improvements were physically inspected and measured. The building valuations incorporate a gross current value, and net current value.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

CCCWSA engaged Scott Fullarton Valuation Pty Ltd to value all buildings in 2023. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account CCCWSA's asset management practices.

Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other outputs (such as estimates of residual value, useful life, asset condition and componentisation including the split between short and long life components) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, this asset class has been valued utilising Level 3 inputs.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Non-residential construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

### Other structures

This asset class is comprised of water tanks, fencing and structures which do not meet the definition of a building and are recognised and valued at cost. CCCWSA assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

The replacement cost approach will be utilised to value other structures. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

There has been no change to the valuation process during the reporting period.

### Stormwater drainage

The Stormwater drainage asset class consists of CCCWSA's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps.

CCCWSA engaged Morrison Low to value all stormwater drainage assets as at 30 June 2022. The gross replacement cost for each asset was calculated using the current replacement cost approach.

Significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption. This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW Other Heavy and Civil Engineering Construction index since June 2023. The movement was considered material and the carrying value of this class was adjusted accordingly.

### Water supply network

This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

Council engaged the external consulting company GHD, to undertake the valuation of all water supply infrastructure assets at 30 June 2021. The gross replacement cost for each asset was calculated using the current replacement cost approach. Significant inputs considered in the valuation of these assets are remaining useful life, asset condition, unit rates and pattern of consumption.

There has been no change to the valuation process during the reporting period.

This asset class was indexed at 30 June 2024 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

### Sewerage network

This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

## D2-1 Fair value measurement (continued)

---

Council engaged the external consulting company GHD, to undertake the valuation of all sewerage network assets at 30 June 2021. The gross replacement cost for each asset was calculated using the current replacement cost approach. Significant inputs considered in the valuation of these assets are remaining useful life, asset condition, unit rates and pattern of consumption.

This asset class was indexed at 30 June 2024 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

### **Other Other Space/recreational assets**

This asset class is comprised of picnic shelters, playground equipment and park furniture.

This asset class was assessed for fair value at 30 June 2024 using the movement in the NSW non-residential construction index since June 2023. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## D2-1 Fair value measurement (continued)

### Fair value measurements using significant unobservable inputs (level 3)

#### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>		
Plant and equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Furniture and fittings	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational land	Market value	The market value of land varies significantly depending on the location of the land and current market conditions.
Crown and Community land	Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Land improvements - depreciable	Cost approach	Pattern of consumption, useful life and residual value
Buildings specialised	Market value	Pattern of consumption, useful life, residual value, asset condition and componentisation
Other structures	Cost approach	Useful life, pattern of consumption and asset condition
Stormwater drainage	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives
Water supply network	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives
Sewerage network	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives
Other assets	Cost approach	Current replacement cost of modern equivalent asset, asset condition and remaining lives

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## D2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>436</b>	153	<b>29</b>	57	<b>78</b>	91	<b>79,231</b>	93,307
Transfers from/(to) another asset class	<b>72</b>	73	<b>121</b>	—	<b>27</b>	—	<b>(748)</b>	(360)
Purchases (GBV)	—	248	—	—	—	—	—	—
Depreciation and impairment	<b>(46)</b>	(38)	<b>(26)</b>	(28)	<b>(26)</b>	(13)	—	—
Revaluation increments / (decrements) to equity (ARR)	—	—	—	—	—	—	—	(13,716)
<b>Closing balance</b>	<b>462</b>	436	<b>124</b>	29	<b>79</b>	78	<b>78,483</b>	79,231

\$ '000	Crown and Community land		Buildings specialised		Other structures		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>16,995</b>	16,991	<b>41,041</b>	36,741	<b>157</b>	162	—	—
Transfers from/(to) another asset class	<b>348</b>	50	<b>3,885</b>	(296)	<b>298</b>	5	<b>78</b>	—
Purchases (GBV)	—	—	—	1,075	—	—	—	—
Disposals (WDV)	—	—	<b>(201)</b>	(14)	—	—	—	—
Depreciation and impairment	—	—	<b>(1,057)</b>	(859)	<b>(25)</b>	(10)	<b>(25)</b>	—
Revaluation increments / (decrements) to equity (ARR)	<b>(180)</b>	(46)	<b>2,771</b>	4,394	—	—	<b>3</b>	—
<b>Closing balance</b>	<b>17,163</b>	16,995	<b>46,439</b>	41,041	<b>430</b>	157	<b>56</b>	—

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Other assets	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	<b>1,244,360</b>	1,179,004	<b>1,376,544</b>	1,302,788	<b>1,535,400</b>	1,433,957	<b>48</b>	52
Transfers from/(to) another asset class	<b>16,355</b>	9,031	<b>11,526</b>	—	<b>43,874</b>	—	—	—
Purchases (GBV)	<b>2,986</b>	10,221	<b>415</b>	11,590	<b>749</b>	29,374	—	—
Disposals (WDV)	<b>(1,103)</b>	(329)	<b>(519)</b>	(1,374)	<b>(2,489)</b>	(791)	—	—
Depreciation and impairment	<b>(14,040)</b>	(13,417)	<b>(37,605)</b>	(34,669)	<b>(41,221)</b>	(36,411)	<b>(4)</b>	(4)
Revaluation increments / (decrements) to equity (ARR)	<b>40,703</b>	59,850	<b>68,464</b>	98,209	<b>77,316</b>	109,271	—	—
<b>Closing balance</b>	<b>1,289,261</b>	1,244,360	<b>1,418,825</b>	1,376,544	<b>1,613,629</b>	1,535,400	<b>44</b>	48

\$ '000	Land improvement - depreciable		Total	
	2024	2023	2024	2023
<b>Opening balance</b>	<b>438</b>	434	<b>4,294,757</b>	4,063,737
Transfers from/(to) another asset class	—	—	<b>75,836</b>	8,503
Purchases (GBV)	—	—	<b>4,150</b>	52,508
Disposals (WDV)	—	—	<b>(4,312)</b>	(2,508)
Depreciation and impairment	<b>(25)</b>	(23)	<b>(94,100)</b>	(85,472)
Revaluation increments / (decrements) to equity (ARR)	<b>29</b>	27	<b>189,106</b>	257,989
<b>Closing balance</b>	<b>442</b>	438	<b>4,465,437</b>	4,294,757

## D2-1 Fair value measurement (continued)

---

### Highest and best use

The following non-financial assets of CCCWSA are being utilised at other than their highest and best use:

#### **Community based assets**

CCCWSA undertakes a number of services with a strong focus of providing community benefits to its constituents. These services are based meeting essential community needs and are not of a nature that would be provided in a commercially competitive environment.

Crown land under CCCWSA's care and control as well as CCCWSA - owned land that has been classified as community land under the provisions of the Local Government Act 1993.

Furthermore, CCCWSA has a number of buildings that are applied in delivering community services. The restrictions on the land and the community use of the buildings in delivering community based services is considered to be the 'highest and best use' of those assets to CCCWSA.

## D3-1 Contingencies

---

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of CCCWSA's financial report.

### LIABILITIES NOT RECOGNISED

#### Defined benefit superannuation contribution plans

Council, on behalf of CCCWSA is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a “multi-employer fund” for purposes of AASB119 *Employee Benefits*. Sufficient information is not available to account for the Scheme as a defined benefit plan in accordance with AASB119 because the assets to the Scheme are pooled together for all Councils.

Employer contributions paid to the defined benefit section of the Scheme during 2023-24 were recognised as an expense. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield FIAA as at 30 June 2023.

The position is monitored annually and the actuary has estimated that, as at 30 June 2023, a deficit still exists. Effective from 1 July 2009, employers are required to make additional contributions to assist in extinguishing this deficit.

CCCWSA's share of the deficit cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all members. For this reason, no liability for the deficit has been recognised in CCCWSA's accounts. CCCWSA has a possible obligation that may arise should the Scheme require immediate payment to correct the deficit.

E    People and relationships

E1   Related party disclosures

E1-1   Key management personnel (KMP)

Key management personnel (KMP) of CCWSA are those persons having the authority and responsibility for planning, directing and controlling the activities of CCWSA, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2024	2023
Compensation:		
Short-term benefits	799	525
Other long-term benefits	94	74
Total	893	599

Other transactions with KMP and their related parties

CCCWSA has determined that there were no transactions between KMP and CCCWSA.

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of Operating Result

\$ '000	2024	2023
<b>Net operating result from Income Statement</b>	<b>28,122</b>	48,780
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	<b>94,359</b>	85,562
(Gain) / loss on disposal of assets	<b>3,710</b>	2,507
Non-cash capital grants and contributions	<b>(7,506)</b>	(21,449)
– Investments classified as 'at fair value' or 'held for trading'	<b>(1,164)</b>	(532)
<b>Changes in assets and liabilities</b>		
(Increase) / decrease of receivables	<b>(4,563)</b>	(4,758)
(Increase) / decrease of other current assets	<b>247</b>	(365)
Increase / (decrease) in payables	<b>(4,052)</b>	3,315
Increase / (decrease) in other accrued expenses payable	<b>3,567</b>	990
Increase / (decrease) in other liabilities	<b>(238)</b>	(653)
Increase / (decrease) in contract liabilities	<b>(948)</b>	10,375
Increase / (decrease) in employee benefit provision	<b>817</b>	1,004
Increase / (decrease) in other provisions	<b>(97)</b>	(355)
<b>Net cash flows from operating activities</b>	<b>112,254</b>	124,421



Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

## F2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2024	2023
---------	------	------

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Other – Stormwater Management	3,365	913
Sewerage and Water Infrastructure	95,477	41,196
<b>Total commitments</b>	<b>98,842</b>	<b>42,109</b>

#### These expenditures are payable as follows:

Within the next year	98,842	42,109
<b>Total payable</b>	<b>98,842</b>	<b>42,109</b>

#### Details of capital commitments

Major projects to continue next year include:

- Water Treatment Plant Major Upgrade - Mardi
- Sewage Treatment Plant Major Augmentation Works - Charmhaven
- Sewer Infrastructure Reinforcements - Gosford CBD
- Sewage Treatment Plant Upgrades - Wyong South
- Sewage Treatment Plant Process Improvements - Bateau Bay
- Water Main Renewal Program - Region Wide
- Sewer Main Rehabilitation Program - Region Wide
- Sewer Treatment Plant Major Upgrade Gwandalan

### F3-1 Events occurring after the reporting date

---

Council is aware of the following 'non-adjusting events' that merit disclosure:

The Water Management Amendment (Central Coast Council) Act 2024 has been enacted, which amends the Water Management Act 2000 to provide that Central Coast Council is no longer a Water Supply Authority.

## F4 Changes from prior year statements

### F4-1 Correction of errors

---

#### Nature of prior period error

During 2023-24, CCCWSA recognised drainage, water and sewerage assets that had been constructed by others and handed over to CCCWSA prior to 2023-2024. The financial statements have been adjusted to reflect that these assets relate to periods earlier than the current reporting period. These errors have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2022) and taking the adjustments through to accumulated surplus at that date. Comparatives for 2022-2023 have also been restated, where applicable, to reflect the correction of errors. The impact on each line item of the financial statements is shown in the tables below:

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

#### F4-1 Correction of errors (continued)

##### Changes to the opening Statement of Financial Position at 1 July 2022

##### Statement of Financial Position

\$ '000	Original Balance 1 July, 2022	Impact Increase/ (decrease)	Restated Balance 1 July, 2022
Infrastructure, property, plant and equipment	4,127,672	7,482	4,135,154
<b>Total non-current assets</b>	<b>4,210,113</b>	<b>7,482</b>	<b>4,217,595</b>
<b>Total assets</b>	<b>4,319,083</b>	<b>7,482</b>	<b>4,326,565</b>
<b>Net assets</b>	<b>4,079,191</b>	<b>7,482</b>	<b>4,086,673</b>
Accumulated surplus	3,452,700	7,482	3,460,182
<b>Total equity</b>	<b>4,079,191</b>	<b>7,482</b>	<b>4,086,673</b>

Central Coast Council - Water Supply Authority | Notes to the Financial Statements 30 June 2024

#### F4-1 Correction of errors (continued)

##### Adjustments to the comparative figures for the year ended 30 June 2023

##### Statement of Financial Position

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Infrastructure, property, plant and equipment	4,376,819	22,771	4,399,590
<b>Total non-current assets</b>	<b>4,459,672</b>	<b>22,771</b>	<b>4,482,443</b>
<b>Total assets</b>	<b>4,610,066</b>	<b>22,771</b>	<b>4,632,837</b>
<b>Net assets</b>	<b>4,370,678</b>	<b>22,771</b>	<b>4,393,449</b>
Accumulated surplus	3,486,192	22,771	3,508,963
<b>Total equity</b>	<b>4,370,678</b>	<b>22,771</b>	<b>4,393,449</b>

##### Income Statement

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Grants and contributions provided for capital purposes	34,571	15,410	49,981
<b>Total income from continuing operations</b>	<b>236,002</b>	<b>15,410</b>	<b>251,412</b>
Depreciation and amortisation	85,562	121	85,683
<b>Total expenses from continuing operations</b>	<b>202,510</b>	<b>121</b>	<b>202,631</b>
<b>Net operating result for the year</b>	<b>33,492</b>	<b>15,289</b>	<b>48,781</b>

##### Statement of Comprehensive Income

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
<b>Net operating result for the year</b>	<b>33,492</b>	<b>15,289</b>	<b>48,781</b>
<b>Total comprehensive income for the year</b>	<b>291,487</b>	<b>15,289</b>	<b>306,776</b>

End of the audited financial statements



## **INDEPENDENT AUDITOR'S REPORT**

### **Central Coast Council Water Supply Authority**

To the Treasurer, Minister for Water, and the Councillors of the Central Coast Council Water Supply Authority

#### **Opinion**

I have audited the accompanying financial statements of Central Coast Council Water Supply Authority (the Authority), which comprise the Statement by the Administrator and Chief Executive Officer, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards
- presents fairly the Authority's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

**Other Information**

The Authority's annual report for the year ended 30 June 2024 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors and the former Administrator of the Authority are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules (the Schedules) of Central Coast Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

**The Councillors' and the former Administrator's Responsibilities for the Financial Statements**

The Councillors and the former Administrator are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and for such internal control as the Councillors and the former Administrator determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors and the former Administrator are responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

24 October 2024  
SYDNEY