



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

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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

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

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Central Coast Council - Water Supply Authority

Income Statement

for the year ended 30 June 2024

\$ '000	Notes	Actual 2024	Restated Actual 2023
Income from continuing operations			
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
Total income from continuing operations		268,365	251,412
Expenses from continuing operations			
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 ¹	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
Total expenses from continuing operations		240,243	202,632
Net operating result for the year attributable to Central Coast Council Water Supply Authority		28,122	48,780
Net operating result for the year before grants and contributions provided for capital purposes		1,289	(1,201)

(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

\$ '000	Notes	2024	Restated 2023
Net operating result for the year – from Income Statement		28,122	48,780
Other comprehensive income:			
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>
Total other comprehensive income for the year		<u>189,292</u>	<u>257,995</u>
Total comprehensive income for the year attributable to Central Coast Council Water Supply Authority		<u>217,414</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

\$ '000	Notes	2024	Restated 2023	Restated 1 July 2022
ASSETS				
Current assets				
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
Total current assets		175,020	150,394	108,970
Non-current assets				
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	–
Total non-current assets		4,667,285	4,482,442	4,217,595
Total assets		4,842,305	4,632,836	4,326,565
LIABILITIES				
Current liabilities				
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
Total current liabilities		79,670	83,790	68,289
Non-current liabilities				
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
Total non-current liabilities		151,772	155,598	171,603
Total liabilities		231,442	239,388	239,892
Net assets		4,610,863	4,393,448	4,086,673
EQUITY				
Accumulated surplus		3,537,084	3,508,962	3,460,182
IPPE revaluation reserve	C4-1	1,073,778	884,486	626,491
Equity interest		4,610,862	4,393,448	4,086,673
Total equity		4,610,862	4,393,448	4,086,673

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

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
					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
Restated opening balance		3,508,962	884,486	4,393,448	3,460,182	626,491	4,086,673
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
Restated net operating result for the period		28,122	–	28,122	48,780	–	48,780
Other comprehensive income							
Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	189,292	189,292	–	257,995	257,995
Total comprehensive income		28,122	189,292	217,414	48,780	257,995	306,775
Restated closing balance at 30 June		3,537,084	1,073,778	4,610,862	3,508,962	884,486	4,393,448

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

\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities			
<i>Receipts:</i>			
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)
<i>Payments:</i>			
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)
Net cash flows from operating activities	F1-1	112,332	124,421
Cash flows from investing activities			
<i>Receipts:</i>			
Sale of investments		32,082	131,272
Proceeds from sale of IPPE		602	-
<i>Payments:</i>			
Purchase of investments		(48,723)	(167,128)
Payments for IPPE		(87,102)	(73,331)
Net cash flows from investing activities		(103,141)	(109,187)
Cash flows from financing activities			
<i>Receipts:</i>			
Proceeds from borrowings		10,000	-
<i>Payments:</i>			
Repayment of borrowings		(16,845)	(16,230)
Lease payments (AASB 16)		(259)	(87)
Net cash flows from financing activities		(7,104)	(16,317)
Net change in cash and cash equivalents		2,087	(1,083)
Plus: cash and cash equivalents – beginning of period		10,153	11,236
Cash and cash equivalents at end of year	C1-1	12,240	10,153
plus: Investments on hand at end of year	C1-2	193,265	175,460
Total cash, cash equivalents and investments		205,505	185,613

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

Central Coast Council - Water Supply Authority

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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.

B Financial Performance

B1 Sources of income

B1-1 Annual charges

\$ '000	2024	2023
Annual charges (pursuant to s496, 496A, 496B, 501 & 611) (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)
Annual charges levied	126,387	104,477
Pensioner annual charges subsidies received:		
– Water	1,123	1,028
– Sewerage	1,119	881
Total annual charges	128,629	106,386

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
User charges		
Water supply services	69,891	62,892
Sewerage services	20,481	18,783
Liquid trade waste	3,243	3,036
Total user charges	93,615	84,711

B1-2 User charges and fees (continued)

\$ '000	2024	2023
Fees		
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
Total other user charges and fees	2,853	2,933
Total user charges and fees	96,468	87,644
Timing of revenue recognition for user charges and fees		
User charges and fees recognised at a point in time	96,468	87,644
Total user charges and fees	96,468	87,644

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
Total other revenue	(60)	18
Timing of revenue recognition for other revenue		
Other revenue recognised at a point in time	(60)	18
Total other revenue	(60)	18

B1-4 Grants and contributions

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023 ¹
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
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
Total special purpose grants and non-developer contributions – cash	4,888	432	11,354	19,557
Non-cash contributions				
Donated assets ¹	–	–	5,541	19,836
Total other contributions – non-cash	–	–	5,541	19,836
Total special purpose grants and non-developer contributions (tied)	4,888	432	16,895	39,393
Total grants and non-developer contributions	4,888	432	16,895	39,393
Comprising:				
– Commonwealth funding	–	–	101	145
– State funding	4,822	338	5,536	19,412
– Other funding	66	94	11,258	19,836
	4,888	432	16,895	39,393
Developer contributions				
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):				
Cash contributions				
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
Total developer contributions – cash	–	–	7,973	8,853
Non-cash contributions				
S 64 – water supply contributions	–	–	682	1,015
S 64 – sewerage service contributions	–	–	301	720
S 7.11 – stormwater contributions	–	–	982	–
Total developer contributions non-cash	–	–	1,965	1,735
Total developer contributions	–	–	9,938	10,588
Total contributions	–	–	9,938	10,588
Total grants and contributions	4,888	432	26,833	49,981
Timing of revenue recognition for grants and contributions				
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
Total grants and contributions	4,888	432	26,833	49,981

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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
Unspent grants and contributions				
Unspent funds at 1 July	83	77	12,732	2,375
Add: Funds received and not recognised as revenue in the current year	929	83	–	10,477
Less: Funds received in prior year but revenue recognised and funds spent in current year	(52)	(77)	(1,337)	(120)
Unspent funds at 30 June	960	83	11,395	12,732
Contributions				
Unspent funds at 1 July	30	–	64,956	63,745
Add: contributions received and not recognised as revenue in the current year	–	30	11,971	7,168
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(4,242)	(5,957)
Unspent contributions at 30 June	30	30	72,685	64,956

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

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
Interest on financial assets measured at amortised cost		
– Overdue annual charges	1,655	715
– Cash and investments	8,553	5,115
Total interest and investment income	10,208	5,830

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
Fair value increment on investments		
Fair value increment on investments through profit and loss	1,399	1,121
Total Fair value increment on investments	1,399	1,121
Total other income	1,399	1,121

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)
Total employee costs	42,476	34,334
Less: capitalised costs	(4,647)	(4,025)
Total employee costs expensed	37,829	30,309

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.

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
Previously other expenses:		
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
Total materials and services	94,940	73,942

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
Total borrowing costs expensed	9,125	9,435

B2-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		46	38
Office equipment		26	29
Furniture and fittings		14	13
Land improvements (depreciable)		25	23
Infrastructure:			
	C1-5		
– Buildings – specialised		1,057	859
– Other structures		25	10
– Roads		1	–
– Stormwater drainage ¹		14,040	13,419
– Water supply network ¹		37,605	34,669
– Sewerage network ¹		41,221	36,411
– Other open space/recreational assets		45	–
– Other infrastructure		9	–
Right of use assets			
	C2-1		
		241	209
Other assets:			
– Other		4	4
Total gross depreciation and amortisation costs		94,359	85,684
Total depreciation, amortisation and impairment for non-financial assets		94,359	85,684

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

B2-5 Other expenses

\$ '000	Notes	2024	2023
Impairment of receivables			
Other		45	166
Total impairment of receivables	C1-4	45	166
Fair value decrement on investments			
Fair value decrement on investments through profit and loss		235	589
Total Fair value decrement on investments	C1-2	235	589
Total other expenses		280	755

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
Gain (or loss) on disposal of property			
Proceeds from disposal – property		602	–
Less: carrying amount of property assets sold/written off		(201)	(14)
Gain (or loss) on disposal		401	(14)
Gain (or loss) on disposal of infrastructure			
Proceeds from disposal – infrastructure	C1-5	–	–
Less: carrying amount of infrastructure assets sold/written off		(4,111)	(2,493)
Gain (or loss) on disposal		(4,111)	(2,493)
Gain (or loss) on disposal of investments			
Proceeds from disposal/redemptions/maturities – investments	C1-2	32,082	131,272
Less: carrying amount of investments sold/redeemed/matured		(32,082)	(131,272)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(3,710)	(2,507)

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.

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
Total cash and cash equivalents	12,241	10,153

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
Financial assets at fair value through the profit and loss				
Government and non-government Bonds	24,154	6,900	–	14,727
NCD's, FRN's	27,699	65,857	14,916	60,060
Total	51,853	72,757	14,916	74,787
Debt securities at amortised cost				
Long term deposits	62,036	6,619	81,168	4,589
Total	62,036	6,619	81,168	4,589
Total financial investments	113,889	79,376	96,084	79,376
Total cash assets, cash equivalents and investments	126,130	79,376	106,237	79,376

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.

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	205,506	185,613
Less: Externally restricted cash, cash equivalents and investments	<u>(87,277)</u>	<u>(80,357)</u>
Cash, cash equivalents and investments not subject to external restrictions	118,229	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
External restrictions	87,277	80,357
Total external restrictions	87,277	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
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(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
Total internal allocations	2,162	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
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(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	116,067	103,278
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C1-4 Receivables

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	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
Total	48,209	2,132	43,229	2,549
Less: provision for impairment				
Other debtors	(55)	–	(55)	–
Total provision for impairment – receivables	(55)	–	(55)	–
Total net receivables	48,154	2,132	43,174	2,549

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.

C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023 ¹			Asset movements during the reporting period						At 30 June 2024		
	Gross carrying amount ¹	Accumulated depreciation and impairment ¹	Net carrying amount ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount ¹	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
Land:												
– 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
Infrastructure:												
– 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
Other assets:												
– Other	58	(10)	48	–	–	(4)	–	–	–	58	(14)	44
Total infrastructure, property, plant and equipment	7,309,554	(2,909,965)	4,399,589	94,164	(4,312)	(94,118)	–	39	189,292	7,720,885	(3,135,826)	4,585,059

(1) Restated 2022/23

C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2022 ²									At 30 June 2023		
	Gross carrying amount ² Restated	Accumulated depreciation and impairment ² Restated	Net carrying amount ² Restated	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount ²	Accumulated depreciation and impairment ²	Net carrying amount
\$ '000												
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
Land:												
– 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
Infrastructure:												
– 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
Other assets:												
– Other	58	(6)	52	–	–	(4)	–	–	–	58	(10)	48
Total infrastructure, property, plant and equipment	6,771,917	(2,636,763)	4,135,154	19,350,702	(2,508)	(85,475)	–	(528)	257,995	7,309,554	(2,909,965)	4,399,589

(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:

Plant and equipment	Years	Buildings	Years
Office furniture	3 to 50	Buildings	10 to 80
Other plant and equipment	2 to 37		
Water and sewer assets		Stormwater assets	
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
Other assets	5 to 500	Land improvements - depreciable	6 to 100

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.

C1-6 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
Drainage Easements		
Opening values at 1 July		
Gross book value	-	4,172
Accumulated amortisation and impairment	-	(4,172)
Net book value – opening balance	-	-
Closing values at 30 June		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
Total drainage easements – net book value	-	-

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	-
Total other assets	256	-	503	-

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.

C2-1 Council as a lessee (continued)

(a) Right of use assets

\$ '000	Plant & Equipment	Right-of-Use Assets	Total
2024			
Opening balance at 1 July	–	928	928
Adjustments due to re-measurement of lease liability	–	32	32
Depreciation charge	–	(242)	(242)
Balance at 30 June	–	718	718
2023			
Reclassified to Water and Sewer	–	1,137	1,137
Depreciation charge	–	(209)	(209)
Balance at 30 June	–	928	928

(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
2024					
Cash flows	231	638	–	869	869
2023					
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
	287	263

(d) Statement of Cash Flows

Total cash outflow for leases	259	248
	259	248

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.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Payables				
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	-
Total payables	18,325	-	19,017	-
Total payables	18,325	-	19,017	-

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
Total payables	4,248	4,687

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.

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
User fees and charges received in advance:					
Deposits and payments received in advance of services provided		52	290	57	350
Total contract liabilities		6,123	8,204	10,747	4,528

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
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	1,337	120
Operating grants (received prior to performance obligation being satisfied)	2,500	76
Total revenue recognised that was included in the contract liability balance at the beginning of the period	3,837	196

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
Total borrowings	42,978	141,048	42,584	148,287

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
\$ '000							
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
Total liabilities from financing activities	191,921	(7,104)	–	–	–	78	184,895

	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
\$ '000							
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
Total liabilities from financing activities	207,101	(15,180)	–	–	–	–	191,921

(b) Financing arrangements

\$ '000	2024	2023
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Total facilities

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

Loan drawdown facilities	50,000	–
Total financing arrangements	50,000	–

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Loan drawdown facilities	10,000	–
Total drawn financing arrangements	10,000	–

Undrawn facilities

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

– Loan drawdown facilities	40,000	–
Total undrawn financing arrangements	40,000	–

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.

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	3,513	–	3,588	–
Vested sick leave	962	–	919	–
Long service leave	5,722	–	4,974	–
Other leave	466	–	365	–
Total employee benefit provisions	10,663	–	9,846	–

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
	5,485	4,844

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.

C3-5 Provisions

\$ '000	2024		2023	
	Current	Non-Current	Current	Non-Current
Self insurance – workers compensation	324	1,882	617	1,939
Self insurance – public liability	495	–	349	–
Payroll tax	531	–	424	–
Sub-total – other provisions	1,350	1,882	1,390	1,939
Total provisions	1,350	1,882	1,390	1,939

Movements in provisions

\$ '000	Other provisions		
	Self insurance	Other (Payroll Tax)	Total
2024			
At beginning of year	2,905	424	3,329
Additional provisions	113	2,344	2,457
Amounts used (payments)	(317)	(2,237)	(2,554)
Total other provisions at end of year	2,701	531	3,232
2023			
At beginning of year	3,260	424	3,684
Additional provisions	(27)	1,768	1,741
Amounts used (payments)	(328)	(1,768)	(2,096)
Total other provisions at end of year	2,905	424	3,329

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:

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.

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	
2024				
Gross carrying amount	7,383	5,247	–	12,630
2023				
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	Overdue debts				Total
		< 30 days	31 - 60 days	61 - 90 days	> 90 days	
2024						
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
2023						
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

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	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2024							
Payables	0.00%	–	14,441	3,883	–	18,324	18,325
Borrowings	5.39%	–	25,796	92,950	102,625	221,371	184,026
Total financial liabilities		–	40,237	96,833	102,625	239,695	202,351
2023							
Payables	0.00%	–	14,863	4,154	–	19,017	19,017
Borrowings	6.13%	–	25,542	95,836	108,594	229,972	190,871
Total financial liabilities		–	40,405	99,990	108,594	248,989	209,888

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:

\$ '000	Notes	Fair value measurement hierarchy						Total	
		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2024	2023
		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		124,610	89,703	–	–	–	–	124,610	89,703
Total financial assets		124,610	89,703	–	–	–	–	124,610	89,703
Infrastructure, property, plant and equipment									
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
Total infrastructure, property, plant and equipment	C1-5	–	–	–	–	4,466,910	4,294,759	4,466,910	4,294,759

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.

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
Infrastructure, property, plant and equipment		
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

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
Opening balance	436	153	29	57	78	91	79,231	93,307
Transfers from/(to) another asset class	72	73	121	–	27	–	(748)	(360)
Purchases (GBV)	–	248	–	–	–	–	–	–
Depreciation and impairment	(46)	(38)	(26)	(28)	(26)	(13)	–	–
Revaluation increments / (decrements) to equity (ARR)	–	–	–	–	–	–	–	(13,716)
Closing balance	462	436	124	29	79	78	78,483	79,231

\$ '000	Crown and Community land		Buildings specialised		Other structures		Roads	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	16,995	16,991	41,041	36,741	157	162	–	–
Transfers from/(to) another asset class	348	50	3,885	(296)	298	5	78	–
Purchases (GBV)	–	–	–	1,075	–	–	–	–
Disposals (WDV)	–	–	(201)	(14)	–	–	–	–
Depreciation and impairment	–	–	(1,057)	(859)	(25)	(10)	(25)	–
Revaluation increments / (decrements) to equity (ARR)	(180)	(46)	2,771	4,394	–	–	3	–
Closing balance	17,163	16,995	46,439	41,041	430	157	56	–

\$ '000	Stormwater drainage		Water supply network		Sewerage network		Other assets	
	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	1,244,360	1,179,004	1,376,544	1,302,788	1,535,400	1,433,957	48	52
Transfers from/(to) another asset class	16,355	9,031	11,526	–	43,874	–	–	–
Purchases (GBV)	2,986	10,221	415	11,590	749	29,374	–	–
Disposals (WDV)	(1,103)	(329)	(519)	(1,374)	(2,489)	(791)	–	–
Depreciation and impairment	(14,040)	(13,417)	(37,605)	(34,669)	(41,221)	(36,411)	(4)	(4)
Revaluation increments / (decrements) to equity (ARR)	40,703	59,850	68,464	98,209	77,316	109,271	–	–
Closing balance	1,289,261	1,244,360	1,418,825	1,376,544	1,613,629	1,535,400	44	48

\$ '000	Land improvement - depreciable		Total	
	2024	2023	2024	2023
Opening balance	438	434	4,294,757	4,063,737
Transfers from/(to) another asset class	–	–	75,836	8,503
Purchases (GBV)	–	–	4,150	52,508
Disposals (WDV)	–	–	(4,312)	(2,508)
Depreciation and impairment	(25)	(23)	(94,100)	(85,472)
Revaluation increments / (decrements) to equity (ARR)	29	27	189,106	257,989
Closing balance	442	438	4,465,437	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.

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of Operating Result

\$ '000	2024	2023
Net operating result from Income Statement	28,122	48,780
Add / (less) non-cash items:		
Depreciation and amortisation	94,359	85,562
(Gain) / loss on disposal of assets	3,710	2,507
Non-cash capital grants and contributions	(7,506)	(21,449)
– Investments classified as 'at fair value' or 'held for trading'	(1,164)	(532)
Changes in assets and liabilities		
(Increase) / decrease of receivables	(4,563)	(4,758)
(Increase) / decrease of other current assets	247	(365)
Increase / (decrease) in payables	(4,052)	3,315
Increase / (decrease) in other accrued expenses payable	3,567	990
Increase / (decrease) in other liabilities	(238)	(653)
Increase / (decrease) in contract liabilities	(948)	10,375
Increase / (decrease) in employee benefit provision	817	1,004
Increase / (decrease) in other provisions	(97)	(355)
Net cash flows from operating activities	112,254	124,421

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
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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
Total commitments	98,842	42,109

These expenditures are payable as follows:

Within the next year	98,842	42,109
Total payable	98,842	42,109

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:

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
Total non-current assets	4,210,113	7,482	4,217,595
Total assets	4,319,083	7,482	4,326,565
Net assets	4,079,191	7,482	4,086,673
Accumulated surplus	3,452,700	7,482	3,460,182
Total equity	4,079,191	7,482	4,086,673

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
Total non-current assets	4,459,672	22,771	4,482,443
Total assets	4,610,066	22,771	4,632,837
Net assets	4,370,678	22,771	4,393,449
Accumulated surplus	3,486,192	22,771	3,508,963
Total equity	4,370,678	22,771	4,393,449

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
Total income from continuing operations	236,002	15,410	251,412
Depreciation and amortisation	85,562	121	85,683
Total expenses from continuing operations	202,510	121	202,631
Net operating result for the year	33,492	15,289	48,781

Statement of Comprehensive Income

\$ '000	Original Balance 30 June, 2023	Impact Increase/ (decrease)	Restated Balance 30 June, 2023
Net operating result for the year	33,492	15,289	48,781
Total comprehensive income for the year	291,487	15,289	306,776

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. 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.

A handwritten signature in black ink, appearing to read 'C. Karakatsanis', written in a cursive style.

Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

24 October 2024
SYDNEY