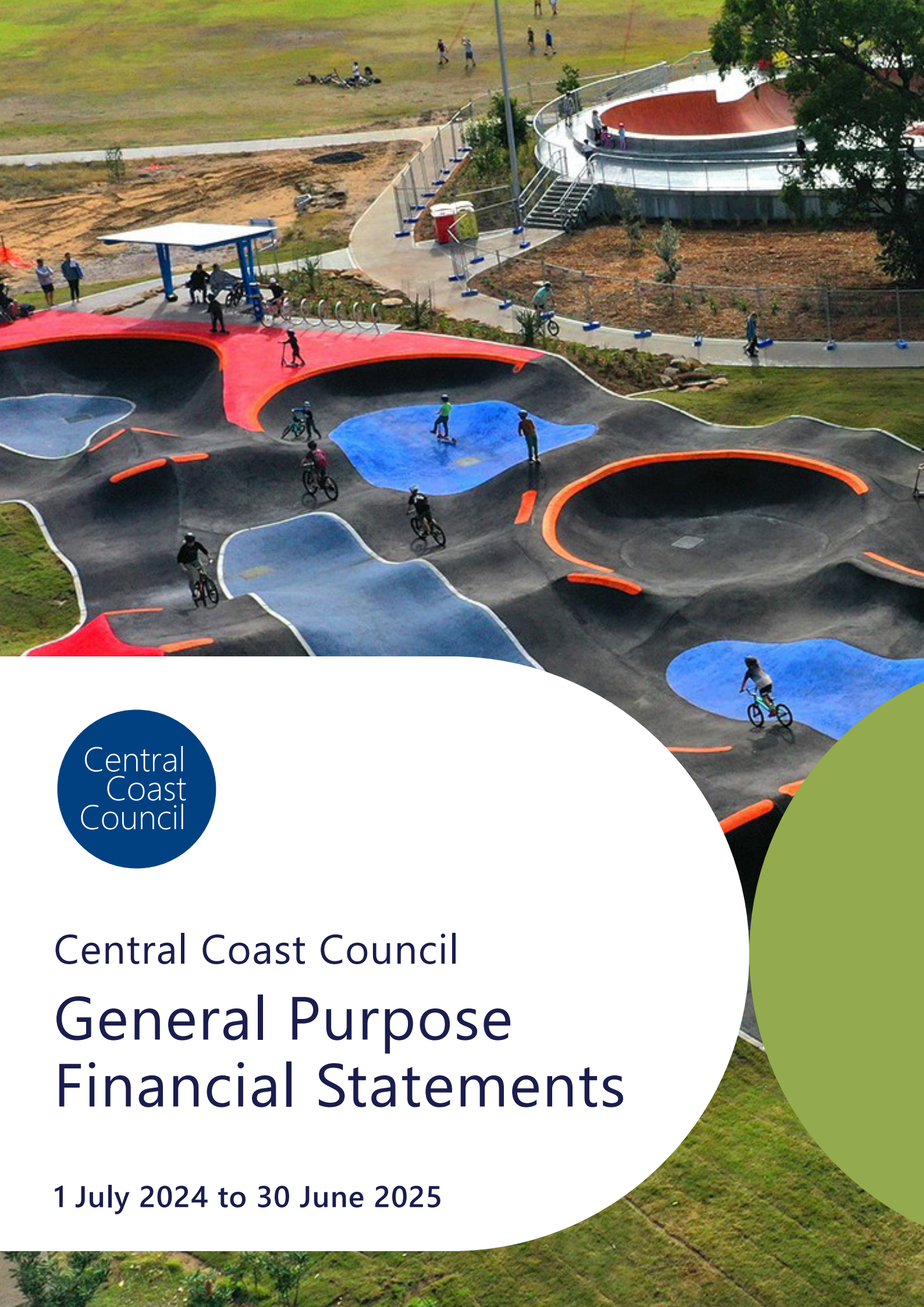




Central
Coast
Council

Central Coast Council General Purpose Financial Statements

1 July 2024 to 30 June 2025

Central Coast Council

General Purpose Financial Statements

for the year ended 30 June 2025

Contents	Page
Statement by Councillors and Management	3
Primary Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	90
On the Financial Statements (Sect 417 [3])	91

Overview

Central Coast Council is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:
2 Hely Street Wyong, NSW 2259

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

Central Coast Council

General Purpose Financial Statements

for the year ended 30 June 2025

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

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

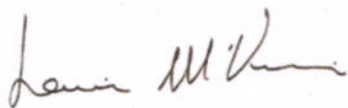
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 23 September 2025.



Laurie McKinna

Mayor

23 September 2025



Doug Eaton

Deputy Mayor

23 September 2025



Marissa Racomelara

A/Chief Executive Officer

23 September 2025



Emma Galea

Responsible Accounting Officer

23 September 2025

Central Coast Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Restated Actual 2024
Income from continuing operations				
460,606	Rates and annual charges	B2-1	459,607	421,528
170,284	User charges and fees	B2-2	181,230	169,410
15,532	Other revenues	B2-3	17,256	18,329
44,668	Grants and contributions provided for operating purposes	B2-4	44,395	52,810
109,592	Grants and contributions provided for capital purposes	B2-4	129,456	120,941
26,022	Interest and investment income	B2-5	45,062	38,248
10,462	Other income	B2-6	15,132	16,131
837,166	Total income from continuing operations		892,138	837,397
Expenses from continuing operations				
217,710	Employee benefits and on-costs	B3-1	225,354	194,559
236,994	Materials and services	B3-2	230,070	221,613
12,010	Borrowing costs	B3-3	13,214	12,466
47,217	Other expenses	B3-5	46,110	43,096
—	Net loss from the disposal of assets	B4-1	7,981	8,827
513,931	Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		522,729	480,561
323,235	Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets		369,409	356,836
202,942	Depreciation, amortisation and impairment of non-financial assets ¹	B3-4	211,449	198,186
120,293	Operating result from continuing operations		157,960	158,650
120,293	Net operating result for the year attributable to Council		157,960	158,650
10,701	Net operating result for the year before grants and contributions provided for capital purposes		28,504	37,709

(1) Restated 2023/24

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

Central Coast Council

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	Restated 2024
Net operating result for the year – from Income Statement		157,960	158,650
Other comprehensive income:			
Amounts that will not be reclassified subsequent to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-8	939,794	325,202
Total other comprehensive income for the year		939,794	325,202
Total comprehensive income for the year attributable to Council (restated)		1,097,754	483,852

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

Central Coast Council

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	Restated 2024	Restated 1 July 2023
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	37,387	122,934	79,523
Investments	C1-2	369,936	257,020	248,590
Receivables	C1-4	96,746	89,587	89,794
Inventories	C1-5	1,534	1,588	1,593
Non-current assets classified as 'held for sale'	C1-7	19,070	19,070	20,677
Other	C1-10	15,539	6,171	5,925
Total current assets		540,212	496,370	446,102
Non-current assets				
Investments	C1-2	466,898	419,754	432,443
Receivables	C1-4	2,180	2,370	2,806
Infrastructure, property, plant and equipment (IPPE)	C1-8	10,033,020	8,989,246	8,615,625
Intangible assets	C1-9	13,851	16,465	19,454
Right of use assets	C2-1	4,338	4,946	5,597
Other	C1-10	725	427	663
Total non-current assets		10,521,012	9,433,208	9,076,588
Total assets		11,061,224	9,929,578	9,522,690
LIABILITIES				
Current liabilities				
Payables	C3-1	113,409	98,262	88,774
Contract liabilities	C3-2	27,056	32,309	32,517
Lease liabilities	C2-1	587	479	487
Borrowings	C3-3	65,921	20,206	104,245
Employee benefit provisions	C3-4	62,951	58,891	57,978
Provisions	C3-5	8,242	10,221	6,668
Total current liabilities		278,166	220,368	290,669
Non-current liabilities				
Contract liabilities	C3-2	9,478	9,543	7,348
Lease liabilities	C2-1	4,688	5,315	5,877
Borrowings	C3-3	145,491	171,414	181,619
Provisions	C3-5	89,532	86,823	84,914
Total non-current liabilities		249,189	273,095	279,758
Total liabilities		527,355	493,463	570,427
Net assets		10,533,869	9,436,115	8,952,263
EQUITY				
Accumulated surplus		7,682,813	7,524,853	7,366,203
IPPE revaluation surplus	C4-1	2,851,056	1,911,262	1,586,060
Total equity		10,533,869	9,436,115	8,952,263

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

Central Coast Council

Statement of Changes in Equity

for the year ended 30 June 2025

	Notes	2025			2024		
		Accumulated surplus	IPPE revaluation surplus	Total equity	Accumulated surplus	IPPE revaluation surplus	Total equity
\$ '000					Restated	Restated	Restated
Opening balance at 1 July		7,524,853	1,911,262	9,436,115	7,309,745	1,586,060	8,895,805
Correction of prior period errors	G4-1	–	–	–	56,458	–	56,458
Restated opening balance		7,524,853	1,911,262	9,436,115	7,366,203	1,586,060	8,952,263
Net operating result for the year		157,960	–	157,960	145,766	–	145,766
Correction of prior period errors	G4-1	–	–	–	12,884	–	12,884
Restated net operating result for the period		157,960	–	157,960	158,650	–	158,650
Other comprehensive income							
– Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	–	939,794	939,794	–	325,202	325,202
Total comprehensive income		157,960	939,794	1,097,754	158,650	325,202	483,852
Restated closing balance at 30 June		7,682,813	2,851,056	10,533,869	7,524,853	1,911,262	9,436,115

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

Central Coast Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	\$ '000	Notes	Actual 2025	Actual 2024
Cash flows from operating activities				
Receipts:				
463,477	Rates and annual charges		458,989	420,346
168,974	User charges and fees		181,590	169,779
24,834	Interest received		39,787	37,642
154,063	Grants and contributions		150,461	149,439
25,078	Other (includes rental income)		22,266	23,999
Payments:				
(214,335)	Payments to employees		(218,353)	(195,319)
(234,799)	Payments for materials and services		(216,066)	(222,344)
(9,968)	Borrowing costs		(12,852)	(11,416)
—	Bonds, deposits and retentions refunded		(109)	(130)
(42,481)	Other (includes EPA levy)		(58,826)	(25,564)
334,843	Net cash flows from operating activities	G1-1	346,887	346,432
Cash flows from investing activities				
Receipts:				
11,162	Sale of investments		365,170	338,600
20,702	Proceeds from sale of IPPE and non-current assets held for sale		4,186	5,717
Payments:				
(40,308)	Purchase of investments		(522,910)	(329,542)
(308,282)	Payments for IPPE		(297,882)	(222,658)
—	Purchase of intangible assets		—	(130)
(316,726)	Net cash flows from investing activities		(451,436)	(208,013)
Cash flows from financing activities				
Receipts:				
40,000	Proceeds from borrowings		40,000	10,000
Payments:				
(20,206)	Repayment of borrowings		(20,208)	(104,244)
(474)	Lease payments (AASB 16)		(790)	(764)
19,320	Net cash flows from financing activities		19,002	(95,008)
37,437	Net change in cash and cash equivalents		(85,547)	43,411
112,112	Plus: cash and cash equivalents at beginning of year		122,934	79,523
149,549	Cash and cash equivalents at end of year	C1-1	37,387	122,934

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

Central Coast Council

Contents for the notes to the Financial Statements for the year ended 30 June 2025

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

Central Coast Council

Contents for the notes to the Financial Statements for the year ended 30 June 2025

C3-5 Provisions	48
C4 Reserves	51
C4-1 Nature and purpose of reserves	51
D Council structure	52
D1 Results by fund	52
D1-1 Income Statement by fund	52
D1-2 Statement of Financial Position by fund	54
D1-3 Details of internal loans	55
D2 Interests in other entities	56
D2-1 Subsidiaries	56
E Risks and accounting uncertainties	58
E1-1 Risks relating to financial instruments held	58
E2-1 Fair value measurement	61
E3-1 Contingencies	71
F People and relationships	74
F1 Related party disclosures	74
F1-1 Key management personnel (KMP)	74
F1-2 Councillor, Mayoral and Administrator fees and associated expenses	75
F1-3 Other related parties	76
F2 Other relationships	77
F2-1 Audit fees	77
G Other matters	78
G1-1 Statement of Cash Flows information	78
G2-1 Commitments	79
G3-1 Events occurring after the reporting date	79
G4 Changes from prior year statements	80
G4-1 Correction of errors	80
G5 Statement of developer contributions	82
G5-1 Summary of developer contributions	82
G5-2 Developer contributions by plan	83

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 23 September 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

Historical cost convention

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

Significant accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

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

Significant judgements in applying the Council's accounting policies

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

Going Concern

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

Monies and other assets received by Council

The Consolidated Fund

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

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

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

- general purpose operations
- water service
- sewerage service

A1-1 Basis of preparation (continued)

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

The Trust Fund

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

Volunteer services

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

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

Volunteer services will only be recognised when:

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

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

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2025 reporting period.

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

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025.

- **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current**
- **AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current - Deferral of Effective Date**
- **AASB 2022-6 Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants**
- **AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback**
- **AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.**

These standards did not have a significant impact on Council's reported position or performance.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income ¹		Expenses ¹		Operating results ¹		Grants and contributions ¹		Carrying amount of assets ¹	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Functions or activities										
Responsible	821,380	767,485	547,413	504,821	273,967	262,664	157,264	153,443	9,364,942	8,264,248
Liveable	45,238	44,556	113,993	105,010	(68,755)	(60,454)	13,967	14,220	665,239	640,279
Belonging	5,318	5,513	24,229	23,195	(18,911)	(17,682)	386	1,372	43,467	39,471
Smart	15,309	15,160	24,697	25,887	(9,388)	(10,727)	222	1,020	963,370	961,048
Green	4,893	4,683	23,848	19,834	(18,955)	(15,151)	2,012	3,696	24,206	24,525
Total functions and activities	892,138	837,397	734,180	678,747	157,958	158,650	173,851	173,751	11,061,224	9,929,571

(1) Restated 2023-24

B1-2 Components of functions or activities

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

Responsible

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

Liveable

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

Belonging

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

Smart

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

Green

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

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2025	2024
Ordinary rates		
Residential	191,090	180,732
Farmland	984	940
Mining	2,502	2,387
Business	27,786	26,036
Less: pensioner rebates (State Government funded)	(2,177)	(2,186)
Less: pensioner rebates (Council funded)	(1,782)	(1,788)
Rates levied to ratepayers	218,403	206,121
Pensioner rate subsidies received	–	2,172
Total ordinary rates	218,403	208,293
Special rates		
Town improvement	1,676	1,596
Parking	246	228
Tourism / business development	1,191	1,132
Total special rates	3,113	2,956
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	84,280	78,860
Water supply services	51,632	35,342
Sewerage services	79,897	73,706
Drainage	21,185	20,361
Waste management services (not-domestic)	4,177	4,035
Section 611 charges	104	104
Liquid trade waste	610	545
Less: pensioner rebates (State Government funded)	(3,307)	(3,307)
Less: pensioner rebates (Council funded)	(2,706)	(2,706)
Annual charges levied	235,872	206,940
Pensioner annual charges subsidies received:		
– Water	1,121	1,123
– Sewerage	1,098	1,119
– Domestic waste management	–	1,097
Total annual charges	238,091	210,279
Total rates and annual charges	459,607	421,528

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

Material accounting policy information

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate, noting that revenue is amortised across the financial year. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance. Pensioner rate subsidies for general rates and domestic waste management are no longer accrued, but are recognised as they are received. This resulted in a reduction in 2024-25 but will not impact future years. Subsidies related to Water and Sewerage charges continue to be accrued due to reporting requirements of the regulator.

B2-2 User charges and fees

\$ '000	2025	2024
User charges		
Water supply services	70,550	68,127
Sewerage services	20,835	20,126
Waste management services	100	79
Liquid trade waste	2,326	1,938
Total user charges	93,811	90,270
Fees		
Building services – other	1,220	1,212
Development applications	4,268	4,644
Inspection services	1,328	1,129
Private works – section 67	943	476
Registration fees	383	334
Regulatory/statutory fees	249	106
Rezoning fees	141	218
Section 10.7 certificates (EP&A Act)	1,142	1,115
Sewer diagram fees	437	426
Section 603 certificates	781	819
Aerodrome	61	62
Camping ground	859	789
Child care	9,778	8,886
Companion animals	328	412
Engineering design fees	961	686
Holiday parks	13,683	12,913
On site sewer management (OSSM)	720	689
Parking fees	615	591
Parks and recreation	1,097	1,052
Refuse and effluent disposal	1	–
Sewerage Connection Income	246	291
Swimming centres	5,731	5,327
Theatres	1,029	868
Tipping fees	26,880	23,940
Transport for NSW works (state roads not controlled by Council)	10,792	8,364
Other	2,455	2,444
Water connection fees	1,291	1,347
Total fees	87,419	79,140
Total user charges and fees	181,230	169,410
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	14,542	13,702
User charges and fees recognised at a point in time	166,688	155,708
Total user charges and fees	181,230	169,410

Material accounting policy information

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

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

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

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

B2-3 Other revenues

\$ '000	2025	2024
Fines – parking	1,037	979
Landfill sale of scrap metal	1,225	1,313
Fines – other	1,701	4,063
Sales – general	2,960	1,172
Event revenue	3,366	4,219
Insurance claims recoveries	580	1,024
Legal fees recovery – other	623	650
Diesel rebate	631	358
Cemetery income	369	338
Recreation	94	–
Landfill gas royalty payment	839	646
Section 355 Committee income	101	354
Art House trading	3,132	2,419
Other	598	794
Total other revenue	17,256	18,329

Timing of revenue recognition for other revenue

Other revenue recognised over time	–	–
Other revenue recognised at a point in time	17,256	18,329
Total other revenue	17,256	18,329

Material accounting policy information for other revenue

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

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

Parking and other fines are recognised as revenue when the payment is received. This is a change in accounting policy effective from 2024-25 which has resulted in a one-off reduction in fine revenue and applicable provision for doubtful debts.

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

B2-4 Grants and contributions

	Operating 2025	Operating 2024	Capital 2025	Capital 2024 Restated
\$ '000				
General purpose grants and non-developer contributions (untied)				
Current year allocation				
Financial assistance – general component	3,976	993	–	–
Financial assistance – local roads component	885	224	–	–
Payment in advance - future year allocation				
Financial assistance – general component ¹	13,559	21,970	–	–
Financial assistance – local roads component ¹	3,014	4,854	–	–
Amount recognised as income during current year	21,434	28,041	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Bushfire and emergency services	9,274	4,764	–	18
Child care	525	560	4	346
Community care	6	775	215	–
Employment and training programs	232	174	–	–
Environmental programs	1,147	2,206	777	1,316
Library	1,005	994	2,682	2,921
LIRS subsidy	–	3	–	–
Recreational facilities	43	24	8,361	8,286
Roads and bridges	5	–	51,175	35,205
Roadworks	–	20	–	–
Sewerage (excl. section 64 contributions)	–	–	40	(3)
Street lighting	1,046	1,026	–	–
Transport (roads to recovery)	–	–	3,603	2,772
Transport for NSW contributions (regional roads, block grant)	4,046	3,973	–	–
Transport (other roads and bridges funding)	2,668	6,728	152	400
Vehicle contributions by employees	1,997	1,943	–	–
Water / Sewer Infrastructure	–	–	11,288	11,259
Youth services	13	65	–	–
Other	954	1,503	400	1,218
Other contributions	–	11	–	–
Non-cash contributions				
Donated assets	–	–	26,139	26,756
Total special purpose grants and non-developer contributions (tied)	22,961	24,769	104,836	90,494
Total grants and non-developer contributions	44,395	52,810	104,836	90,494
Comprising:				
– Commonwealth funding	21,448	28,096	21,148	22,817
– State funding	20,699	22,329	57,087	40,508
– Other funding	2,248	2,385	26,601	27,169
	44,395	52,810	104,836	90,494

(1) 50% of the 2025-2026 Financial Assistance Grant from the Commonwealth Government totalling \$16.8M was received by Council during the current financial year and hence is reported as 2024-2025 income although it relates to 2025-2026 financial year.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024 Restated
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
G5					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	310	23
S 7.12 – fixed development consent levies		–	–	3,144	4,581
S 64 – water supply contributions		–	–	4,967	3,339
S 64 – sewerage service contributions		–	–	3,479	2,353
Other developer contributions		–	–	302	295
S 7.11 – stormwater contributions		–	–	1,816	2,281
S 7.11 – roadworks		–	–	3,942	3,348
S 7.11 – open space		–	–	3,972	5,461
S 7.11 – community facilities		–	–	2,606	2,330
Non-cash contributions					
S 7.11 – contributions towards amenities/services		–	–	–	4,471
S 7.11 - drainage assets		–	–	–	982
S 64 – sewerage service contributions		–	–	34	301
S 64 – water supply contributions		–	–	48	682
Total developer contributions	G5	–	–	24,620	30,447
Total grants and contributions		44,395	52,810	129,456	120,941
Timing of revenue recognition					
Grants and contributions recognised over time		19,022	19,906	53,222	34,301
Grants and contributions recognised at a point in time		25,373	32,904	76,234	86,640
Total grants and contributions		44,395	52,810	129,456	120,941

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Grants				
Unspent funds at 1 July	5,811	10,710	28,847	20,397
Add: Funds received and not recognised as revenue in the current year	783	3,232	7,477	13,192
Less: Funds received in prior year but revenue recognised and funds spent in current year	(3,287)	(8,131)	(10,036)	(4,742)
Unspent funds at 30 June	3,307	5,811	26,288	28,847
Contributions				
Unspent funds at 1 July	655	685	240,742	226,361
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	22	–	36,532	–
Add: contributions received and not recognised as revenue in the current year	59	174	93	36,326
Less: contributions received in prior year but revenue recognised and funds spent in current year	(105)	–	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(55)	(204)	(25,977)	(21,945)
Unspent funds at 30 June	576	655	251,390	240,742

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

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

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

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

Capital grants

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

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

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

B2-4 Grants and contributions (continued)

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	3,698	3,048
– Cash and investments	41,364	35,200
Total interest and investment income	45,062	38,248

Material accounting policy information

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

B2-6 Other income

\$ '000	Notes	2025	2024
Rental income			
Properties not held for investment		6,209	5,482
Room/Facility Hire		4,718	4,504
Outdoor space		206	180
Other		143	139
Total rental income	C2-2	11,276	10,305
Fair value increment on investments through profit and loss		3,856	5,826
Total other income		15,132	16,131

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2025	2024
Salaries and wages	163,656	144,707
Employee termination costs	1,711	607
Employee leave entitlements	42,156	36,052
Superannuation	21,783	19,287
Workers Compensation	6,576	4,407
Fringe benefit tax (FBT)	363	73
Payroll tax	2,829	2,288
Total employee costs	239,074	207,421
Less: capitalised costs	(13,720)	(12,862)
Total employee costs expensed	225,354	194,559

Material accounting policy information

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

B3-2 Materials and services

\$ '000	Notes	2025	2024
Raw materials and consumables		30,250	30,389
Contractor costs		85,157	78,122
Contract costs Garbage collection		36,985	35,646
Contract costs Green waste processing		7,479	7,068
Contract costs Agency hire		4,454	4,257
Audit Fees	F2-1	853	711
Advertising		816	744
Bank charges		1,450	1,245
Commissions		5,365	5,920
Computer software charges		14,506	12,851
Election expenses		2,342	11
Councillor, Mayoral and Administrator fees and associated expenses	F1-2	729	387
Electricity and heating		13,707	14,483
Events and promotions		2,897	3,011
Gas charges		257	149
Insurance		5,254	6,138
Licences		1,432	1,173
Planning NSW development application fees		785	544
Postage		1,347	1,059
Printing and stationery		1,042	1,092
Street lighting		3,355	4,618
Subscriptions and publications		709	681
Telephone and communications		1,649	1,588
Tip rehabilitation provision adjustment		(2,393)	(265)
Travel expenses		23	30
Training costs		1,814	1,640
Valuer general fees		1,033	1,085
Vehicle registrations		906	776
Other expenses		3,510	4,172
Legal expenses		1,136	1,029
Expenses from short-term leases		1,109	1,199
Expenses from Peppercorn leases		5	4
Expenses from leases of low value assets		7	7
Variable lease expenses relating to usage		100	49
Total materials and services		230,070	221,613

B3-3 Borrowing costs

\$ '000	Notes	2025	2024
Interest on leases		255	272
Interest on loans		9,796	9,288
Interest on other debts		28	109
Amortisation of discounts and premiums			
- Floating Rate Notes		—	—
Remediation liabilities	C3-5	3,135	2,797
Total borrowing costs expensed		13,214	12,466

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

Depreciation and amortisation

Plant and equipment		8,717	7,894
Office equipment		1,991	1,666
Furniture and fittings		1,521	1,590
Land improvements (depreciable)		1,151	1,171
Infrastructure:	C1-8		
– Buildings – specialised		19,714	18,720
– Other structures		627	641
– Roads		45,765	44,346
– Bridges		1,143	979
– Footpaths		4,225	3,921
– Stormwater drainage		15,394	14,380
– Water supply network		39,343	37,622
– Sewerage network		45,437	41,230
– Swimming pools		654	599
– Other open space/recreational assets		15,843	13,190
– Other infrastructure		2,226	2,052
Other assets:			
– Library books		674	741
– Other		146	175
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-8	3,606	3,577
Right of use assets	C2-1	658	573
Intangible assets	C1-9	2,614	3,119
Total depreciation and amortisation costs		211,449	198,186
Total depreciation, amortisation and impairment for non-financial assets		211,449	198,186

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

Material accounting policy information

Depreciation and amortisation

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

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	2025	2024
Impairment of receivables		
Sundry debtors and other charges	(2,380)	285
Fair value decrement on investments		
Fair value decrement on investments through profit and loss	1,536	1,027
Other expenses		
Contributions/levies to other levels of government		
– NSW Fire and rescue levy	3,932	3,926
– NSW rural fire service levy	2,024	2,056
– Waste levy	36,433	31,202
– Holiday Park levy	677	435
– NSW State emergency services levy	1,247	1,609
Donations, Contributions and assistance to other organisations (Section 356)		
– Community grants	689	866
– Surf Life Saving Clubs	214	214
– Other contributions and donations	159	313
Fines and Penalties	106	–
Contributions to The Art House	1,213	1,163
Other expenses	260	–
Total other expenses	46,110	43,096

Material accounting policy information

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

Impairment expenses are recognised when identified.

B4 Gains or losses

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

\$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-8		
Proceeds from disposal – plant and equipment		4,186	4,783
Less: carrying amount of plant and equipment assets sold/written off		(3,153)	(2,878)
Gain (or loss) on disposal		1,033	1,905
Gain (or loss) on disposal of infrastructure assets	C1-8		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(3,029)	(3,776)
Gain (or loss) on disposal		(3,029)	(3,776)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		365,170	338,600
Less: carrying amount of investments sold/redeemed/matured		(365,170)	(338,600)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of land	C1-8		
Proceeds from disposal – community and operational Land		–	934
Less: carrying amount of community and operational Land assets sold/written off		–	(2,712)
Gain (or loss) on disposal		–	(1,778)
Gain (or loss) on disposal of stormwater drainage assets	C1-8		
Proceeds from disposal – Stormwater Drainage		–	–
Less: carrying amount of stormwater drainage assets sold/written off		(178)	(1,396)
Gain (or loss) on disposal		(178)	(1,396)
Gain (or loss) on disposal of sewerage network assets	C1-8		
Proceeds from disposal – Sewerage Network		–	–
Less: carrying amount of sewerage network assets sold/written off		(2,514)	(2,489)
Gain (or loss) on disposal		(2,514)	(2,489)
Gain (or loss) on disposal of buildings			
Proceeds from disposal – Buildings		–	–
Less: carrying amount of Building assets sold/written off		(2,078)	–
Gain (or loss) on disposal		(2,078)	–
Gain (or loss) on disposal of water supply assets	C1-8		
Proceeds from disposal – water supply assets		–	–
Less: carrying amount of water supply assets sold/written off		(421)	(519)
Gain (or loss) on disposal		(421)	(519)
Gain (or loss) on disposal of other assets	C1-8		
Proceeds from disposal – Other assets		–	–
Less: carrying amount of other assets sold/written off		(794)	(774)
Gain (or loss) on disposal		(794)	(774)
Net gain (or loss) from disposal of assets		(7,981)	(8,827)

Material accounting policy information

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Revenues				
Rates and annual charges	460,606	459,607	(999)	0% U
User charges and fees	170,284	181,230	10,946	6% F
Other revenues	15,532	17,256	1,724	11% F
Favourable variance is mainly due to more than budgeted biodiversity credit sales during the year.				
Operating grants and contributions	44,668	44,395	(273)	(1)% U
Capital grants and contributions	109,592	129,456	19,864	18% F
Favourable variance predominantly relates to a large amount of donated assets that were not included in the original adopted budget.				
Interest and investment revenue	26,022	45,062	19,040	73% F
Favourable variance relates to the higher than budgeted value of Council's investment portfolio and higher than budgeted interest earnings on floating rate notes and bonds from a high interest rate environment.				
Other income	10,462	15,132	4,670	45% F
Favourable variance is mainly due to unrealised gains on investments in a high interest rate environment.				

B5-1 Material budget variations (continued)

\$ '000	2025 Budget	2025 Actual	2025 ----- Variance -----	
Expenses				
Employee benefits and on-costs	217,710	225,354	(7,644)	(4)% U
Materials and services	236,994	230,070	6,924	3% F
Borrowing costs	12,010	13,214	(1,204)	(10)% U
Unfavourable variance is mainly due to more than budgeted interest expenses from variable rate loans.				
Depreciation, amortisation and impairment of non-financial assets	202,942	211,449	(8,507)	(4)% U
Other expenses	47,217	46,110	1,107	2% F
Net losses from disposal of assets	–	7,981	(7,981)	∞ U
Unfavourable variance is due to remaining written down value of planned asset renewals and remaining written down value of assets disposed prior to revaluation and annual fair value assessment.				
Statement of cash flows				
Cash flows from operating activities	334,843	346,887	12,044	4% F
Cash flows from investing activities	(316,726)	(451,436)	(134,710)	43% U
Variance due to an increase in the total cash and investment portfolio. Council manages the portfolio in accordance with Council's Investment Management Policy. Refer to Note C1-2 for further information.				
Cash flows from financing activities	19,320	19,002	(318)	(2)% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2025	2024
Cash assets		
Cash on hand and at bank	15,678	95,310
Deposits at call	21,709	27,624
Total cash and cash equivalents	37,387	122,934

Material accounting policy information

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

C1-2 Financial investments

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Financial assets at fair value through the profit and loss				
Government and Non-government Bonds	12,647	29,895	54,510	36,490
NCD's, FRN's	149,789	312,003	62,510	348,264
Total	162,436	341,898	117,020	384,754
Debt securities at amortised cost				
Long term deposits	207,500	125,000	140,000	35,000
Total financial investments	369,936	466,898	257,020	419,754

Material accounting policy information

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

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

C1-2 Financial investments (continued)

Financial assets through profit or loss

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

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

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

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

\$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	874,221	799,708
Less: Externally restricted cash, cash equivalents and investments	(581,500)	(549,770)
Cash, cash equivalents and investments not subject to external restrictions	292,721	249,938

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

\$ '000	2025	2024
External restrictions		
External restrictions included in cash, cash equivalents and investments above comprise:		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	126,923	111,997
Developer contributions – water	20,044	14,023
Developer contributions – sewer	7,289	18,913
Developer contributions – drainage	39,232	36,567
Developer contributions – VPA – general	3,150	2,969
Developer contributions – VPA – water	1,155	1,113
Developer contributions – VPA – sewer	543	523
Developer contributions – VPA - drainage	1,503	1,448
Developer contributions – bonus provisions	6,976	6,469
Developer Contributions – Sec 7.12 Levy	43,919	45,930
Specific purpose unexpended grants – general	19,210	22,302
Specific purpose unexpended grants – water	2,255	2,275
Specific purpose unexpended grants - sewer	8,098	9,141
Specific purpose unexpended grants - drainage	32	940
Cemeteries	233	582
Contributions to COSS	7,422	7,144
Crown land ²	22,319	2,206
Domestic waste management	112,107	116,121
Gosford CBD and parking station special rate levies	330	1,533
Holiday parks and camping ground ²	–	15,820
Self insurance claims – water ¹	–	1,154
Self insurance claims – general ¹	–	9,368
Self insurance claims – sewer ¹	–	1,052
Stormwater management	547	547
Tourism levies	3,207	2,767
Water, Sewer and Drainage Funds	154,219	116,067
Other External Contributions	787	799
Total external restrictions	581,500	549,770

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.

(1) Moved to Internal Allocations in 24/25 FY

(2) Consolidated with Crown land in 24/25 FY

(b) Internal allocations

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

Davistown Wetlands ²	–	1,436
Drainage Licence Fee	748	772
Emergency services levy savings ²	–	244
Employees leave entitlement	12,931	12,317
Employment generating projects ³	–	2,656
Self insurance claims - general ¹	12,249	–
Self insurance claims - water ¹	771	–
Self insurance claims - sewer ¹	926	–
Property development ³	–	1,065
Regional Library	–	9,237
Section 355/advances/deposits	–	264
Tip replacement/rehabilitation	41,097	37,269

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

Waste management infrastructure	42,053	32,920
Emergency loan repayments	32,600	15,800
Conservation Fund ²	3,451	–
Strategic Priorities	9,111	7,297
Multi-year projects	7,852	5,804
Total internal allocations	163,789	127,081

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

(1) Moved from External Restrictions in 24/25 FY

(2) Amount moved to Conservation Fund (Internal Allocations) in 24/25 FY

(3) Amount moved to Strategic Priorities (Internal Allocations) in 24/25 FY

\$ '000	2025	2024
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(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	128,932	122,857
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C1-4 Receivables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates	14,074	–	12,517	–
Interest and extra charges	2,810	–	2,173	–
User charges and fees	12,667	1,916	12,683	2,093
Accrued revenues				
– Interest on investments	9,915	–	5,277	–
– User charges and fees	16,173	–	14,700	–
– Government subsidies	2,219	–	2,307	–
– Other income accruals	2,005	–	5,516	–
Government grants and subsidies	1,532	–	9,848	–
Net GST receivable	6,483	–	3,964	–
Waste management annual charge	6,043	–	4,623	–
Drainage annual charge	2,156	–	2,148	–
Water annual charge	4,259	–	3,165	–
Sewerage annual charge	7,340	–	7,318	–
Other debtors	9,743	264	6,633	277
Total	97,419	2,180	92,872	2,370
Less: provision for impairment				
Sundry debtors and other charges	(673)	–	(3,285)	–
Total provision for impairment – receivables	(673)	–	(3,285)	–
Total net receivables	96,746	2,180	89,587	2,370

Material accounting policy information

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

Impairment

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

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

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

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

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

C1-5 Inventories

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
At cost				
Stores and materials	1,534	–	1,588	–
Total inventories	1,534	–	1,588	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods

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

C1-6 Contract assets and Contract cost assets

Nil

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

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Non-current assets held for sale				
Land	12,309	–	12,309	–
Buildings	6,761	–	6,761	–
Total non-current assets classified as held for sale	19,070	–	19,070	–

Details of assets held for sale

Non-current assets held for sale comprises one parcel of land, the Gosford Administration building and associated sites, the East Gosford Training Centre, and the Woy Woy Commuter Carpark. These assets have been deemed excess to Council's operational requirements and were available for sale and actively marketed as at 30 June 2025.

At the date of this Statement, Council has resolved to engage an agent to market the Gosford Administration site on the open market. There has also been a Council resolution to transfer the Woy Woy Commuter Carpark to Transport for NSW.

The remaining assets are expected to be settled during the financial year ending 30 June 2026.

Material accounting policy information

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

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

C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
	Gross carrying amount	Accumulated depreciation and impairment ¹	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	251,136	—	251,136	226,885	71,358	—	—	(157,989)	—	—	391,390	—	391,390
Plant and equipment	116,920	(57,707)	59,213	—	1,071	(3,153)	(8,717)	20,202	1,104	—	126,760	(57,040)	69,720
Office equipment	13,700	(10,324)	3,376	—	—	(80)	(1,991)	679	—	—	13,963	(11,979)	1,984
Furniture and fittings	19,419	(9,681)	9,738	—	—	(620)	(1,521)	782	64	—	19,155	(10,712)	8,443
Land:													
– Operational land	456,644	—	456,644	—	—	—	—	35	(25)	(91)	456,563	—	456,563
– Crown and Community land	561,180	—	561,180	—	—	—	—	2,824	—	—	564,004	—	564,004
– Land under roads (post 30/6/08)	2,698	—	2,698	—	—	—	—	—	—	—	2,698	—	2,698
Land improvements – depreciable	25,630	(6,705)	18,925	—	—	(7)	(1,151)	2,002	6,449	—	34,222	(8,004)	26,218
Infrastructure:													
– Buildings – specialised	1,015,566	(427,345)	588,221	—	—	(2,078)	(19,714)	5,864	(21)	19,871	1,050,793	(458,650)	592,143
– Other structures	13,666	(4,013)	9,653	—	—	(22)	(627)	2,226	(28)	(22)	15,863	(4,683)	11,180
– Roads	2,574,764	(829,606)	1,745,158	—	2,831	(2,437)	(45,765)	23,844	(1,213)	750,244	3,640,190	(1,167,528)	2,472,662
– Bridges	95,895	(37,684)	58,211	—	727	(88)	(1,143)	2,438	7,440	4,356	119,424	(47,482)	71,942
– Footpaths	307,874	(120,833)	187,041	—	222	(289)	(4,225)	2,254	(8,140)	123,572	534,560	(234,125)	300,435
– Bulk earthworks (non-depreciable)	419,084	—	419,084	—	287	(187)	—	90	(5,479)	90,899	504,694	—	504,694
– Stormwater drainage	1,930,708	(610,661)	1,320,047	—	17,894	(178)	(15,394)	8,431	(349)	(123,801)	1,903,614	(696,964)	1,206,650
– Water supply network	2,695,551	(1,275,061)	1,420,490	—	1,321	(421)	(39,343)	23,743	(11)	34,740	2,785,833	(1,345,314)	1,440,519
– Sewerage network	2,839,384	(1,224,127)	1,615,257	—	1,787	(2,514)	(45,437)	51,501	55	40,240	2,956,418	(1,295,529)	1,660,889
– Swimming pools	11,067	(3,487)	7,580	—	—	—	(654)	139	—	—	11,206	(4,141)	7,065
– Other open space/recreational assets	279,436	(93,538)	185,898	—	—	(128)	(15,843)	10,686	107	(214)	289,303	(108,797)	180,506
– Other infrastructure	50,923	(16,030)	34,893	—	—	—	(2,226)	189	—	—	51,112	(18,256)	32,856
Other assets:													
– Library books	6,540	(4,558)	1,982	—	—	—	(674)	—	—	—	6,540	(5,232)	1,308
– Other	7,298	(3,393)	3,905	—	—	—	(146)	60	22	—	7,135	(3,294)	3,841
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	63,152	(34,236)	28,916	—	—	—	(3,606)	—	—	—	63,152	(37,842)	25,310
Total infrastructure, property, plant and equipment	13,758,235	(4,768,989)	8,989,246	226,885	97,498	(12,202)	(208,177)	—	(25)	939,794	15,548,592	(5,515,572)	10,033,020

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

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount ¹	Accumulated depreciation and impairment ¹	Net carrying amount	Additions renewals	Additions new assets ¹	Carrying value of disposals	Depreciation expense ¹	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount ¹	Accumulated depreciation and impairment ¹	Net carrying amount
\$ '000													
Capital work in progress	212,248	–	212,248	170,683	59,718	–	–	(191,597)	84	–	251,136	–	251,136
Plant and equipment	108,367	(56,297)	52,070	–	1,498	(2,878)	(7,894)	16,417	–	–	116,920	(57,707)	59,213
Office equipment	19,380	(15,013)	4,367	–	–	–	(1,666)	675	–	–	13,700	(10,324)	3,376
Furniture and fittings	15,983	(8,147)	7,836	–	53	(16)	(1,590)	3,455	–	–	19,419	(9,681)	9,738
Land:													
– Operational land	475,202	–	475,202	–	–	–	–	–	(9,518)	(9,040)	456,644	–	456,644
– Crown and Community land	566,201	–	566,201	–	–	(2,712)	–	–	9,118	(11,427)	561,180	–	561,180
– Land under roads (post 30/6/08)	2,561	–	2,561	–	–	–	–	–	137	–	2,698	–	2,698
Land improvements – depreciable	22,870	(4,988)	17,882	–	–	–	(1,171)	984	–	1,230	25,630	(6,705)	18,925
Infrastructure:													
– Buildings – specialised	980,048	(405,400)	574,648	–	122	(283)	(18,720)	17,874	41	14,539	1,015,566	(427,345)	588,221
– Other structures	12,333	(3,457)	8,876	–	–	–	(641)	1,668	(250)	–	13,666	(4,013)	9,653
– Roads	2,395,511	(752,649)	1,642,862	–	9,759	(3,511)	(44,346)	59,614	(4,592)	85,372	2,574,764	(829,606)	1,745,158
– Bridges	89,504	(35,263)	54,241	–	–	(154)	(979)	2,286	–	2,817	95,895	(37,684)	58,211
– Footpaths	278,236	(110,762)	167,474	–	1,446	(111)	(3,921)	5,584	7,265	9,304	307,874	(120,833)	187,041
– Bulk earthworks (non-depreciable)	404,507	–	404,507	–	1,128	–	–	325	(2)	13,126	419,084	–	419,084
– Stormwater drainage	1,846,582	(577,888)	1,268,694	–	8,001	(1,396)	(14,380)	18,354	–	40,774	1,930,708	(610,661)	1,320,047
– Water supply network	2,554,804	(1,177,526)	1,377,278	–	1,363	(519)	(37,622)	11,526	–	68,464	2,695,551	(1,275,061)	1,420,490
– Sewerage network	2,666,950	(1,131,239)	1,535,711	–	2,075	(2,489)	(41,230)	43,874	–	77,316	2,839,384	(1,224,127)	1,615,257
– Swimming pools	9,982	(2,662)	7,320	–	–	–	(599)	407	(41)	493	11,067	(3,487)	7,580
– Other open space/recreational assets	228,278	(65,859)	162,419	–	291	(473)	(13,190)	6,884	–	29,967	279,436	(93,538)	185,898
– Other infrastructure	49,990	(13,331)	36,659	–	–	–	(2,052)	441	(2,422)	2,267	50,923	(16,030)	34,893
Other assets:													
– Library books	5,650	(3,817)	1,833	–	–	–	(741)	890	–	–	6,540	(4,558)	1,982
– Other	7,247	(3,218)	4,029	–	–	(2)	(175)	53	–	–	7,298	(3,393)	3,905
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	61,371	(30,664)	30,707	–	1,500	–	(3,577)	286	–	–	63,152	(34,236)	28,916
Total infrastructure, property, plant and equipment	13,013,805	(4,398,180)	8,615,625	170,683	86,954	(14,544)	(194,494)	–	(180)	325,202	13,758,235	(4,768,989)	8,989,246

(1) Restated 2023/24

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

Material accounting policy information

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

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

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

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

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	3 to 20	Playground equipment	7 to 50
Computer equipment	3 to 20		
Vehicles	2 to 25	Buildings	7 to 129
Heavy plant/road making equipment	6 to 25		
Other plant and equipment	2 to 37	Land Improvements - depreciable	6 to 100
Water and sewer assets		Stormwater assets	
Dams and reservoirs	12 to 200	Drains	16 to 120
Bores	15 to 30	Culverts	40 to 120
Reticulation pipes	5 to 200	Flood mitigation	20 to 120
Transportation assets		Other infrastructure assets	
Sealed roads	4 to 160	Swimming pools	5 to 100
Unsealed roads	30 to 160	Other infrastructure	10 to 100
Bridges	50 to 100		
Footpaths	12 to 83	Library books	5
		Other	6 to 500
Tip assets	4 to 50		

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

Revaluation model

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

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

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

Land under roads

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

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

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

Crown reserves

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

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

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

C1-9 Intangible assets

Intangible assets

\$ '000	2025	2024
Software		
Opening values at 1 July		
Gross book value	30,596	30,466
Accumulated amortisation and impairment	(14,131)	(11,012)
Net book value – opening balance	16,465	19,454
Movements for the year		
WIP - net movement	–	1
Development costs	–	129
Amortisation charges	(2,614)	(3,119)
Cost written off	4,007	–
Accumulated amortisation and impairment written off	(4,007)	–
Closing values at 30 June		
Gross book value	26,589	30,596
Accumulated amortisation and impairment	(12,738)	(14,131)
Total software – net book value	13,851	16,465
Total intangible assets – net book value	13,851	16,465

Material accounting policy information

Software

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

C1-10 Other

Other assets

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Prepayments		15,539	–	6,171	–
Investment in the Art House	D2-1	–	725	–	427
Total other assets		15,539	725	6,171	427

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Buildings

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

Office and IT equipment

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

Extension options

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

(a) Right of use assets

\$ '000	Plant and Equipment	Right-of-Use Assets	Total
2025			
Opening balance at 1 July	—	4,946	4,946
Adjustments due to re-measurement of lease liability	—	50	50
Depreciation charge	—	(658)	(658)
Balance at 30 June	—	4,338	4,338
2024			
Opening balance at 1 July	—	5,597	5,597
Adjustments due to re-measurement of lease liability	—	(77)	(77)
Depreciation charge	—	(574)	(574)
Balance at 30 June	—	4,946	4,946

C2-1 Council as a lessee (continued)

(b) Lease liabilities

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2025					
Cash flows	587	1,735	2,953	5,275	5,275
2024					
Cash flows	479	1,855	3,460	5,794	5,794

(c) Income Statement

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

\$ '000	2025	2024
Interest on lease liabilities	255	272
Depreciation of right of use assets	658	573
Expenses relating to short-term leases	1,109	1,199
Expenses relating to leases of low-value assets	7	7
Expenses relating to Peppercorn leases	5	4
Variable lease expenses relating to usage	100	49
	2,134	2,104

(d) Statement of Cash Flows

Total cash outflow for leases	2,012	2,023
	2,012	2,023

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

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

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

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

Material accounting policy information

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

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

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

C2-1 Council as a lessee (continued)

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

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

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

\$ '000	2025	2024
Assets held as property, plant and equipment		
Council provides operating leases on Council buildings for the purpose of recreational activities, the table below relates to operating leases on assets disclosed in C1-8.		
Properties not held for investment	6,209	5,482
Room / Facility hire	4,718	4,504
Outdoor space	206	180
Other	143	139
Total income relating to operating leases for Council assets	11,276	10,305

C2-2 Council as a lessor (continued)

\$ '000	2025	2024
Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:		
< 1 year	5,131	4,964
1–2 years	5,285	5,113
2–3 years	5,443	5,267
3–4 years	5,607	5,425
4–5 years	5,775	5,587
Total undiscounted lease payments to be received	27,241	26,356

Material accounting policy information

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

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

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

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Goods and services	42,168	—	28,218	—
Prepaid rates and annual charges	16,663	—	15,724	—
Accrued expenses:				
– Interest on borrowings	1,100	—	654	—
– Salaries and wages	7,872	—	4,931	—
– Other expenditure accruals	33,504	—	35,984	—
Security bonds, deposits and retentions	3,503	—	3,612	—
Developer bonds	6,491	—	7,654	—
Overpayments	1,880	—	1,113	—
Other payables	228	—	372	—
Total payables	113,409	—	98,262	—

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

\$ '000	2025	2024
Payables	27,296	27,023
Total payables	27,296	27,023

Material accounting policy information

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

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

C3-2 Contract Liabilities

\$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	19,423	6,865	22,086	6,761
Unexpended operating grants (received prior to performance obligation being satisfied) - AASB 15	(ii)	3,307	—	5,810	—
Unexpended capital contributions (to construct Council controlled assets)	(i)	209	2,003	463	2,094
Unexpended operating contributions (received prior to performance obligation being satisfied) - AASB 15	(ii)	578	—	656	—
Total grants and contributions received in advance		23,517	8,868	29,015	8,855
User fees and charges received in advance:					
Upfront fees – leisure centre	(iii)	33	—	32	—
Deposits received in advance of services provided		3,506	610	3,262	688
Total user fees and charges received in advance		3,539	610	3,294	688
Total contract liabilities		27,056	9,478	32,309	9,543

Notes

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

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

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

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

\$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	10,036	4,739
Operating grants (received prior to performance obligation being satisfied)	3,287	8,069
Capital contributions (to construct Council controlled assets)	—	—
Operating contributions (received prior to performance obligation being satisfied)	160	204
User fees and charges received in advance:		
Upfront fees – leisure centre	32	42
Total revenue recognised that was included in the contract liability balance at the beginning of the period	13,515	13,054

Significant changes in contract liabilities

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

Material accounting policy information

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

C3-3 Borrowings

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured ¹	65,921	145,491	20,206	171,414
Total borrowings	65,921	145,491	20,206	171,414

(1) Loans are secured over the general rating income of Council.

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

(a) Changes in liabilities arising from financing activities

	2024		Non-cash movements				2025
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement (Lease Liability Remeasurement t)	Closing balance
Loans – secured	191,620	19,792	–	–	–	–	211,412
Lease liability (Note C2-1)	5,794	(790)	–	–	–	271	5,275
Total liabilities from financing activities	197,414	19,002	–	–	–	271	216,687

	2023		Non-cash movements				2024
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement (Lease Liability Remeasurement)	Closing balance
Loans – secured	285,864	(94,244)	–	–	–	–	191,620
Lease liability (Note C2-1)	6,364	(764)	–	–	–	194	5,794
Total liabilities from financing activities	292,228	(95,008)	–	–	–	194	197,414

(b) Financing arrangements

\$ '000	2025	2024
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Total facilities

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

Loan drawdown facilities	50,000	50,000
Credit cards/purchase cards	582	563
Master lease facilities	1,940	5,023
Total financing arrangements	52,522	55,586

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Loan drawdown facilities	50,000	10,000
– Credit cards/purchase cards	179	114
– Master lease facilities	1,915	4,099
Total drawn financing arrangements	52,094	14,213

Undrawn facilities

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

– Loan drawdown facilities	–	40,000
– Credit cards/purchase cards	403	449
– Master lease facilities	25	924
Total undrawn financing arrangements	428	41,373

Additional financing arrangements information

Breaches and defaults

C3-3 Borrowings (continued)

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

Security over loans

Loans are secured over future cash flows of the Council
Lease liabilities are secured by the underlying leased assets.

Bank overdrafts

The bank overdraft facility may be drawn at any time.
It may also be terminated by the bank without notice.

Material accounting policy information

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

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

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

C3-4 Employee benefit provisions

\$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	17,491	–	17,279	–
Vested sick leave	5,895	–	5,722	–
Long service leave	37,437	–	34,280	–
Other leave	2,128	–	1,610	–
Total employee benefit provisions	62,951	–	58,891	–

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

\$ '000	2025	2024
Provisions – employees benefits	36,695	33,335
	36,695	33,335

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Self insurance – workers compensation	2,675	11,273	3,334	8,798
Self insurance – public liability	2,143	–	2,377	–
Self insurance – other	64	–	2	–
Payroll tax	–	–	531	–
Asset remediation/restoration	3,360	78,259	3,977	78,025
Total provisions	8,242	89,532	10,221	86,823

Movements in provisions

C3-5 Provisions (continued)

\$ '000	Self insurance	Asset remediation	Payroll Tax and Other	Total
2025				
At beginning of year	14,511	82,002	531	97,044
Changes to provision:				
– Amounts capitalised	–	–	–	–
– Revised discount rate	–	(2,773)	–	(2,773)
– Revised costs	–	380	–	380
Unwinding of discount	–	3,135	–	3,135
Additional provisions	6,592	–	2,298	8,890
Amounts used (payments)	(4,948)	(1,125)	(2,829)	(8,902)
Total	16,155	81,619	–	97,774
2024				
At beginning of year	12,222	78,936	424	91,582
Changes to provision:				
– Amounts capitalised	–	1,500	–	1,500
– Revised discount rate	–	(1,747)	–	(1,747)
– Revised costs	–	1,482	–	1,482
– Revised life	–	–	–	–
Unwinding of discount	–	2,797	–	2,797
Additional provisions	6,294	–	2,395	8,689
Amounts used (payments)	(4,005)	(966)	(2,288)	(7,259)
Total	14,511	82,002	531	97,044

Nature and purpose of provisions

Asset remediation

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

Self-insurance

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

Payroll tax and other

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

Material accounting policy information

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

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

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

Asset remediation - tips

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

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

C3-5 Provisions (continued)

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

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

Self-insurance

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

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

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

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

- A wage inflation index was used for future claims escalation. A bond yield of between 0.850% and 3.845% per annum over a 50 year period.
- All monetary amounts for past Workers Compensation claims were indexed to bring them to 'standardised' values at 30 June 2025.
- Workers Compensation claim payments projected into the future by the adopted actuarial model are in 'standardised' values as at 30 June 2025.

The last actuarial assessment of Workers Compensation Claims was undertaken in July 2025 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 Surplus

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	Drainage 2025	Domestic Waste 2025	General 2025	Water 2025	Sewer 2025
Income from continuing operations					
Rates and annual charges	21,218	82,301	225,328	50,958	79,802
User charges and fees	–	81	80,900	74,549	25,700
Interest and investment income	369	520	31,781	4,279	8,113
Other revenues	13	–	16,407	270	566
Grants and contributions provided for operating purposes	1,595	–	42,654	95	51
Grants and contributions provided for capital purposes	19,757	–	86,736	9,992	12,971
Other income	–	–	15,132	–	–
Total income from continuing operations	42,952	82,902	498,938	140,143	127,203
Expenses from continuing operations					
Employee benefits and on-costs	2,660	896	178,109	19,831	23,858
Borrowing costs	341	–	3,465	7,903	1,505
Materials and services	9,069	81,491	43,907	44,434	51,169
Other expenses	9	–	45,543	99	459
Net losses from the disposal of assets	178	–	4,868	421	2,514
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	12,257	82,387	275,892	72,688	79,505
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	30,695	515	223,046	67,455	47,698
Depreciation, amortisation and impairment of non-financial assets	15,383	–	109,747	40,081	46,238
Operating result from continuing operations	15,312	515	113,299	27,374	1,460
Net operating result for the year attributable to Council	15,312	515	113,299	27,374	1,460

D1-1 Income Statement by fund (continued)

\$ '000	Drainage 2025	Domestic Waste 2025	General 2025	Water 2025	Sewer 2025
Net operating result for the year before grants and contributions provided for capital purposes	(4,445)	515	26,563	17,382	(11,511)

D1-2 Statement of Financial Position by fund

\$ '000	Drainage 2025	Domestic Waste 2025	General 2025	Water 2025	Sewer 2025
ASSETS					
Current assets					
Cash and cash equivalents	257	3,193	25,365	4,694	3,878
Investments	4,378	54,409	165,075	79,989	66,085
Receivables	2,445	6,407	39,882	32,050	15,962
Inventories	–	–	1,534	–	–
Other	–	–	15,425	57	57
Non-current assets classified as held for sale	–	–	18,590	–	480
Total current assets	7,080	64,009	265,871	116,790	86,462
Non-current assets					
Investments	95	54,543	332,979	547	78,734
Receivables	1	2	(5,555)	25	7,707
Infrastructure, property, plant and equipment	1,238,846	–	5,422,464	1,578,158	1,793,552
Intangible assets	–	–	13,851	–	–
Right of use assets	–	–	3,828	255	255
Other	–	–	725	–	–
Total non-current assets	1,238,942	54,545	5,768,292	1,578,985	1,880,248
Total assets	1,246,022	118,554	6,034,163	1,695,775	1,966,710
LIABILITIES					
Current liabilities					
Payables	363	4,624	80,251	14,922	13,249
Contract liabilities	132	–	18,750	–	8,174
Borrowings	27,030	–	10,434	24,787	3,670
Lease liabilities	–	–	337	125	125
Employee benefit provisions	108	189	50,599	6,970	5,085
Provisions	–	–	7,612	216	414
Total current liabilities	27,633	4,813	167,983	47,020	30,717
Non-current liabilities					
Contract liabilities	455	–	5,944	2,255	824
Lease liabilities	–	–	4,300	194	194
Borrowings	4,964	–	(12,006)	128,119	24,414
Provisions	–	–	87,944	962	626
Total non-current liabilities	5,419	–	86,182	131,530	26,058
Total liabilities	33,052	4,813	254,165	178,550	56,775
Net assets	1,212,970	113,741	5,779,998	1,517,225	1,909,935
EQUITY					
Accumulated surplus	1,067,722	113,741	3,956,025	1,003,880	1,541,445
IPPE revaluation reserves	145,248	–	1,823,973	513,345	368,490
Total equity	1,212,970	113,741	5,779,998	1,517,225	1,909,935

D1-3 Details of internal loans

	Council ID / Ref 2013 GF-WF	Council ID / Ref 2015 SF-WF	Council ID / Ref 2015 GF-WF
Details of individual internal loans			
Borrower (by purpose)	Water Fund	Water Fund	Water Fund
Lender (by purpose)	General Fund	Sewer Fund	General Fund
Date of Minister's approval	N/A	27/05/2015	N/A
Date raised	30/06/2013	27/05/2015	31/05/2015
Term years	20	20	20
Dates of maturity	30/06/2033	21/02/2035	26/05/2035
Rate of interest (%)	5.39	5.39	5.39
Amount originally raised	20,000,000	10,000,000	10,000,000
Total repaid during year (principal and interest) (\$'000)	1,666,903	833,097	832,167
Principal outstanding at end of year (\$'000)	10,744,487	6,285,735	6,400,516

	Council ID / Ref 2023 GF-DF	Council ID / Ref 2024 GF-DF
Details of individual internal loans		
Borrower (by purpose)	Drainage Fund	Drainage Fund
Lender (by purpose)	General Fund	General Fund
Date of Minister's approval	N/A	N/A
Date raised	30/06/2023	30/06/2024
Term years	1	1
Dates of maturity	30/06/2024	30/06/2025
Rate of interest (%)	Nil	Nil
Amount originally raised	25,702,956	25,702,956
Total repaid during year (principal and interest) (\$'000)	25,702,956	0
Principal outstanding at end of year (\$'000)	0	25,702,956

D2 Interests in other entities

D2-1 Subsidiaries

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

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

Interests in Subsidiary	Ownership 2025	Ownership 2024	Principal place of business	Voting rights 2025	Voting rights 2024
Council's interest in Subsidiary	100%	100%		100%	100%

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

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

Although Council does have significant influence and control over the Art House's relevant activities through Board representation, Council has agreed upon with the Art House that its activities and day-to-day operations are solely guided by the Art House and not operated by Council.

Council provided financial support of \$1.21M during the financial year (\$1.0M indexed per annum for ten years from 2015/16 onwards).

Reporting dates of Subsidiary

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

Summarised financial information for the Subsidiary

\$ '000	2025	2024
Summarised statement of comprehensive income		
Revenue	3,509	3,006
Expenses	(3,211)	(3,242)
Profit/(loss) for the period	298	(236)
Total comprehensive income	298	(236)
Summarised statement of financial position		
Current assets	1,779	1,705
Non-current assets	135	26
Total assets	1,914	1,731
Current liabilities	1,149	1,258
Non-current liabilities	40	46
Total liabilities	1,189	1,304
Net assets	725	427

D2-1 Subsidiaries (continued)

\$ '000	2025	2024
Summarised statement of cash flows		
Cash flows from operating activities	184	220
Cash flows from investing activities ¹	(127)	(19)
Cash flows from financing activities ¹	(4)	8
Net increase (decrease) in cash and cash equivalents	53	209

(1) Restated 2023-24

Material accounting policy information

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

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

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is in accordance with policies approved by Council.

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

The risks associated with the financial instruments held are:

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – interest rate and price risk

\$ '000	2025	2024
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	8,742	7,729
Impact of a 10% movement in price of investments		
– Equity / Income Statement	87,422	77,288

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

(b) Credit risk

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

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

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

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

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high quality.

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

Council makes suitable provision for doubtful receivables as required.

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

Credit risk profile

Receivables - Rates and Annual Charges

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

\$ '000	Not yet due	Overdue rates and charges		Total
		< 5 years	> 5 years	
2025				
Gross carrying amount	8,489	24,936	447	33,872
2024				
Gross carrying amount	7,383	22,388	–	29,771

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet due	Overdue debts				Total
		< 30 days	31 - 60 days	61 - 90 days	> 90 days	
2025						
Gross carrying amount	9,413	4,937	1,303	1,405	48,668	65,726
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	1.38%	1.02%
ECL provision	–	–	–	–	672	672
2024						
Gross carrying amount	(18,470)	13,746	10,482	1,615	58,098	65,471
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	5.65%	5.01%
ECL provision	–	–	–	–	3,285	3,285

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

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash outflows	Carrying values
2025						
Payables	0.00%	86,751	26,658	–	113,409	113,409
Borrowings	4.26%	75,577	99,400	111,539	286,516	211,412
Total financial liabilities		162,328	126,058	111,539	399,925	324,821
2024						
Payables	0.00%	71,271	26,990	–	98,261	98,262
Borrowings	3.99%	28,682	104,657	122,011	255,350	191,620
Total financial liabilities		99,953	131,647	122,011	353,611	289,882

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Financial assets

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

- Non-current assets classified as held for sale

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

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

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

E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy							
\$ '000	Notes	Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total ¹	
		2025	2024	2025	2024	2025	2024	2025	2024
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
At fair value through profit or loss		504,334	501,774	—	—	—	—	504,334	501,774
Total financial assets		504,334	501,774	—	—	—	—	504,334	501,774
Infrastructure, property, plant and equipment									
	C1-8								
Plant and equipment		—	—	—	—	69,720	59,213	69,720	59,213
Office equipment		—	—	—	—	1,984	3,376	1,984	3,376
Furniture and fittings		—	—	—	—	8,443	9,738	8,443	9,738
Operational land		—	—	—	—	456,563	456,644	456,563	456,644
Crown and Community land		—	—	—	—	564,004	561,180	564,004	561,180
Land under Roads		—	—	—	—	2,698	2,698	2,698	2,698
Land improvements – depreciable		—	—	—	—	26,218	18,925	26,218	18,925
Buildings – specialised		—	—	—	—	592,143	588,221	592,143	588,221
Other structures		—	—	—	—	11,180	9,653	11,180	9,653
Roads		—	—	—	—	2,472,662	1,745,158	2,472,662	1,745,158
Bridges		—	—	—	—	71,942	58,211	71,942	58,211
Footpaths		—	—	—	—	300,435	187,041	300,435	187,041
Bulk earthworks – non depreciable		—	—	—	—	504,694	419,084	504,694	419,084
Stormwater drainage		—	—	—	—	1,206,650	1,320,047	1,206,650	1,320,047
Water supply network		—	—	—	—	1,440,519	1,420,490	1,440,519	1,420,490
Sewerage network		—	—	—	—	1,660,889	1,615,257	1,660,889	1,615,257
Swimming pools		—	—	—	—	7,065	7,580	7,065	7,580
Other open space/recreational assets		—	—	—	—	180,506	185,898	180,506	185,898
Other infrastructure		—	—	—	—	32,856	34,893	32,856	34,893
Library books		—	—	—	—	1,308	1,982	1,308	1,982
Other		—	—	—	—	3,841	3,905	3,841	3,905
Tip assets		—	—	—	—	25,310	28,916	25,310	28,916
Total infrastructure, property, plant and equipment	C1-8	—	—	—	—	9,641,630	8,738,110	9,641,630	8,738,110
Non-recurring fair value measurements									
Non-current assets held for sale									
	C1-7								
Land		—	—	12,309	12,309	—	—	12,309	12,309
Buildings		—	—	6,761	6,761	—	—	6,761	6,761
Plant		—	—	—	—	—	—	—	—
Total non-recurring fair value measurements		—	—	19,070	19,070	—	—	19,070	19,070

E2-1 Fair value measurement (continued)

Valuation techniques

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

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment, furniture and fittings

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

These asset categories include:

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

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

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

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

Operational land

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

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

This asset class was assessed for fair value at 30 June 2025 using the movement in NSW Valuer General's valuations. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

Crown and Community land

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

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

These are considered level 3 observable inputs.

This asset class was assessed for fair value at 30 June 2025 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.

Land under roads

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

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

E2-1 Fair value measurement (continued)

Land under roads has been valued at 30 June 2025 using the Englobo method (which is a discounted method) and VG valuations published on 1 July 2024.

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

Land improvements

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

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

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

Buildings – specialised

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

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

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

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

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 2025 using the movement in the NSW Non-residential construction index since June 2024. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

Other structures

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

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

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

Roads

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

Council engaged APV Valuers to value all Roads Infrastructure assets at 30 June 2025. The gross replacement cost for each asset was calculated using the current replacement cost approach.

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

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

Bridges

This asset class is comprised of road and foot bridges.

Council engaged APV Valuers to value all bridges at 30 June 2025. The gross replacement cost for each asset was calculated using the current replacement cost approach.

E2-1 Fair value measurement (continued)

Bridges are assessed by physical inspection in accordance with Transport for NSW guidelines. Condition information is updated as changes are observed through regular inspections.

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

Footpaths

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

Council engaged APV Valuers to value all footpaths as at 30 June 2025. The gross replacement cost for each asset was calculated using the replacement cost approach.

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

Bulk earthworks (non-depreciable)

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

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

Council engaged APV Valuers to value all bulk earthworks as at 30 June 2025. The gross replacement cost for each asset was calculated using the replacement cost approach.

Stormwater drainage

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

Council engaged APV Valuers to value all drainage assets as at 30 June 2025. The gross replacement cost for each asset was calculated using the replacement cost approach.

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

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

Water supply network

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

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

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

This asset class was indexed at 30 June 2025 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

Sewerage network

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

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

This asset class was indexed at 30 June 2025 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

Swimming pools

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

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

E2-1 Fair value measurement (continued)

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

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

This asset class was assessed for fair value at 30 June 2025 using the movement in the NSW Non-residential construction index since June 2024. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

Other open space/recreational assets

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

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

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

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

This asset class was assessed for fair value at 30 June 2025 using the movement in the NSW Non-residential construction index since June 2024. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

Library books

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

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

Other assets

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

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

Tip asset

This asset class includes the tip cells at Council's Waste Facilities which is recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the item. Significant unobservable inputs considered in the valuation of these assets are useful life and pattern of consumption and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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

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

	Valuation technique/s	Unobservable inputs
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 under Roads	Land values obtained from the NSW Valuer-General	Extent and impact of use, market cost of land per square metre, restrictions
Land improvements	Cost approach	Pattern of consumption, useful life and residual value
Buildings	Market / cost approach	Current replacement cost of equivalent asset using componentisation, asset condition, remaining life and residual value.
Other structures	Cost approach	Current replacement cost of equivalent asset using componentisation, asset condition, remaining life and residual value.
Roads	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bridges	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Footpaths	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bulk earthworks	Cost approach	Useful life, pattern of consumption and asset condition
Stormwater drainage	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Water supply network	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Sewerage network	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Swimming pools	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Open space / recreational	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives

E2-1 Fair value measurement (continued)

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

E2-1 Fair value measurement (continued)

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

\$ '000	Plant and equipment ¹		Office equipment		Furniture and fittings ¹		Operational land	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	59,213	52,070	3,376	4,367	9,738	7,836	456,644	475,202
Transfers from/(to) another asset class	1,104	–	–	–	64	–	(25)	(9,518)
Purchases (GBV)	21,273	17,915	679	675	782	3,508	35	–
Disposals (WDV)	(3,153)	(2,878)	(80)	–	(620)	(16)	–	–
Depreciation and impairment	(8,717)	(7,894)	(1,991)	(1,666)	(1,521)	(1,590)	–	–
Revaluation increments / (decrements) to Equity (ARR)	–	–	–	–	–	–	(91)	(9,040)
Closing balance	69,720	59,213	1,984	3,376	8,443	9,738	456,563	456,644

(1) Restated 2023-24

\$ '000	Crown and Community land		Land under Roads		Land improvements		Buildings ¹	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	561,180	566,201	2,698	2,561	18,925	17,882	588,221	574,648
Transfers from/(to) another asset class	–	9,118	–	137	6,449	–	(21)	41
Purchases (GBV)	2,824	–	–	–	2,002	984	5,864	17,996
Disposals (WDV)	–	(2,712)	–	–	(7)	–	(2,078)	(283)
Depreciation and impairment	–	–	–	–	(1,151)	(1,171)	(19,714)	(18,720)
Revaluation increments / (decrements) to Equity (ARR)	–	(11,427)	–	–	–	1,230	19,871	14,539
Closing balance	564,004	561,180	2,698	2,698	26,218	18,925	592,143	588,221

(1) Restated 2023-24

\$ '000	Other structures		Roads ¹		Bridges ¹		Footpaths ¹	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	9,653	8,876	1,745,158	1,642,862	58,211	54,241	187,041	167,474
Transfers from/(to) another asset class	(28)	(250)	(1,213)	(4,592)	7,440	–	(8,140)	7,265
Purchases (GBV)	2,226	1,668	26,675	69,373	3,166	2,286	2,476	7,030
Disposals (WDV)	(22)	–	(2,437)	(3,511)	(88)	(154)	(289)	(111)
Depreciation and impairment	(627)	(641)	(45,765)	(44,346)	(1,143)	(979)	(4,225)	(3,921)
Revaluation increments / (decrements) to Equity (ARR)	(22)	–	750,244	85,372	4,356	2,817	123,572	9,304
Closing balance	11,180	9,653	2,472,662	1,745,158	71,942	58,211	300,435	187,041

(1) Restated 2023-24

E2-1 Fair value measurement (continued)

\$ '000	Bulk earthworks ¹		Stormwater drainage ¹		Water supply network ¹		Sewerage network ¹	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	419,084	404,507	1,320,047	1,268,694	1,420,490	1,377,278	1,615,257	1,535,711
Transfers from/(to) another asset class	(5,479)	(2)	(349)	—	(11)	—	55	—
Purchases (GBV)	377	1,453	26,325	26,355	25,064	12,889	53,288	45,949
Disposals (WDV)	(187)	—	(178)	(1,396)	(421)	(519)	(2,514)	(2,489)
Depreciation and impairment	—	—	(15,394)	(14,380)	(39,343)	(37,622)	(45,437)	(41,230)
Revaluation increments / (decrements) to Equity (ARR)	90,899	13,126	(123,801)	40,774	34,740	68,464	40,240	77,316
Closing balance	504,694	419,084	1,206,650	1,320,047	1,440,519	1,420,490	1,660,889	1,615,257

(1) Restated 2023-24

\$ '000	Swimming pools		Open space / recreational ¹		Other infrastructure		Library books	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	7,580	7,320	185,898	162,419	34,893	36,659	1,982	1,833
Transfers from/(to) another asset class	—	(41)	107	—	—	(2,422)	—	—
Purchases (GBV)	139	407	10,686	7,175	189	441	—	890
Disposals (WDV)	—	—	(128)	(473)	—	—	—	—
Depreciation and impairment	(654)	(599)	(15,843)	(13,190)	(2,226)	(2,052)	(674)	(741)
Revaluation increments / (decrements) to Equity (ARR)	—	493	(214)	29,967	—	2,267	—	—
Closing balance	7,065	7,580	180,506	185,898	32,856	34,893	1,308	1,982

(1) Restated 2023-24

\$ '000	Other		Tip assets ¹		Total ¹	
	2025	2024	2025	2024	2025	2024
Opening balance	3,905	4,029	28,916	30,707	8,738,110	8,403,377
Transfers from/(to) another asset class	22	—	—	—	(25)	(264)
Purchases (GBV)	60	53	—	1,786	184,130	218,833
Disposals (WDV)	—	(2)	—	—	(12,202)	(14,544)
Depreciation and impairment	(146)	(175)	(3,606)	(3,577)	(208,177)	(194,494)
Revaluation increments / (decrements) to Equity (ARR)	—	—	—	—	939,794	325,202
Closing balance	3,841	3,905	25,310	28,916	9,641,630	8,738,110

(1) Restated 2023-24

Highest and best use

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

Community based assets

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

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

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

E3-1 Contingencies

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

CONTINGENT LIABILITIES

1. Guarantees

(i) Defined benefit plan

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 9.5% from 1 July 2025 of salaries to these members' accumulation accounts in line with current level of SG contributions, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease past service contributions effective 1 January 2025.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025.

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

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

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

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

E3-1 Contingencies (continued)

The amount of employer contributions to the defined benefit section of the Scheme and recognised as an expense for the year ending 30 June 2025 was \$1,296,279.09. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is \$275,198.92.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2025 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%
Vested Benefits	2,130.4	103.2%

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

The share of any funding surplus or deficit that can be attributed to Council is 3.69%.

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2025.

(ii) Statewide Limited

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

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

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

(iii) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

Contaminated lands

Council is required by law to remediate its contaminated sites. The projected costs associated with this remediation are provided for within the financial statements at Note C3-5 and are based on certain estimates and assumptions. Prior to remediation works being carried out, monitoring works are required to manage site risks while post remediation there is a period of validation

E3-1 Contingencies (continued)

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

Waste Remediation

In 2018-2019 Council made notifications to the NSW Environmental Protection Authority (NSW EPA) under Section 60 of the Contaminated Land Management Act 1997 for six retired landfill sites. In March 2020 Council was advised that three of these sites (Hylton Moore Oval, Frost Reserve and Adcock Park) are classified as significantly contaminated and warrant regulation under the Contaminated Land Management Act 1997. In August 2020 the NSW EPA approved Council's Voluntary Management Proposals for each of these three sites. In 2020-2021 the community consultation plans and site management plans were completed. In 2022 detailed site investigations commenced and Human Health and Ecological Risk Assessments and Landfill Gas Risk Assessments were completed in August 2023. Further investigation works are required to be completed before the Remedial Options Assessment and individual Remedial Action Plans identifying any remedial works that may be required to address the potential impact to the environment and public health. These investigation works are scheduled to be completed in August 2025 following which a final report will be prepared and reviewed by the NSW EPA site auditor and subsequent Remediation Action Plan developed. The estimated cost to complete the environmental investigations, development of the Remedial Options Assessments, and individual Remedial Action Plans and their review by a NSW EPA accredited contaminated site auditor across all three sites is an additional \$3,509,080.00 and this has been fully provided for within the financial statements at Note C3-5. At this stage there is no reliable way to estimate the cost of any further remediation activities that may be required at these three sites.

Legal Expenses

The Council is a party to a number of legal proceedings in various jurisdictions. All known costs have been recognised, however as the various legal proceedings are still in progress, it is difficult to estimate the ultimate financial impact. For example, legal costs that the Council may be awarded, or ordered to pay; and other financial penalties that may be imposed, subject to the powers of the Court or Tribunal in the relevant jurisdiction. Council estimates that there may be approximately \$3,942,679 of legal expenses in 2025-26.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2025	2024
Compensation:		
Short-term benefits	2,822	2,716
Other long-term benefits	364	332
Termination benefits	1	–
Total	3,187	3,048

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

\$ '000	2025	2024
The aggregate amount of Councillor, Mayoral and Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	83	—
Councillors' fees	457	—
Councillors' expenses (including Mayor)	86	—
Administrator fees and expenses	103	387
Total	729	387

F1-3 Other related parties

\$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2025						
Funding and in-kind support services 2024	1	1,213	–	Funding and support services provided in line with the funding agreement	–	–
Funding and in-kind support services	1	1,163	–	Funding and support services provided in line with the funding agreement	–	–
1	The former Wyong Shire Council entered into a funding and service level agreement with The Art House, Wyong Shire Performing Arts and Conference Centre Limited in 2016 to provide funding and in-kind services.					

F2 Other relationships

F2-1 Audit fees

\$ '000	2025	2024
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements

	512	573
Total Auditor-General remuneration	512	573

Non NSW Auditor-General audit firms

(i) Audit and other assurance services

Other audit and assurance services

	341	138
Remuneration for audit and other assurance services	341	138

Total audit fees	853	711
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G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

\$ '000	2025	2024
Net operating result from Income Statement ¹	157,960	158,650
Add / (less) non-cash items:		
Depreciation, amortisation and impairment	211,449	197,295
(Gain) / loss on disposal of assets	7,981	8,827
Non-cash capital grants and contributions ¹	(26,221)	(19,417)
Investments classified as 'at fair value'	(2,320)	(4,799)
Unwinding of discount rates on reinstatement provisions	362	1,050
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(4,357)	1,348
Increase / (decrease) in provision for impairment of receivables	(2,612)	(705)
(Increase) / decrease of inventories	54	5
(Increase) / decrease of other assets	(9,666)	(10)
Increase / (decrease) in payables	13,950	(1,008)
Increase / (decrease) in other accrued expenses payable	461	9,336
Increase / (decrease) in other liabilities	736	1,238
Increase / (decrease) in contract liabilities	(5,318)	1,987
Increase / (decrease) in employee benefit provision	4,060	913
Increase / (decrease) in other provisions	368	4,412
Net cash provided from operating activities	346,887	359,122

(1) Restated 2023/24

(b) Non-cash financing and investing activities

Other dedications ¹	26,139	26,756
Total non-cash financing and investing activities	26,139	26,756

(1) Restated 2023/24

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	5,083	7,463
Land and buildings	6,581	30,075
Tip assets	2,475	3,029
Stormwater Management infrastructure	2,338	3,365
Open Space infrastructure	3,705	4,147
Road infrastructure	19,983	36,505
Sewerage and water infrastructure	71,466	95,477
Technology	667	—
Total commitments	112,298	180,061

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 Rising Main partial replacement - West Gosford
- Sewage Treatment Plant Major upgrade - Gwandalan
- Sewage Treatment Plant Upgrades - Wyong South
- Road Renewal program
- Plant & Fleet Vehicles - Acquisitions
- Wisemans Ferry Road works
- Sewer Main Rehabilitation Program - Region Wide

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Changes from prior year statements

G4-1 Correction of errors

During 2024-2025 Council recognised roads, drainage, bulk earthworks, footpaths, water and sewer assets, bridges and open space that had been constructed by others and handed over to, or found and controlled by Council prior to 2024-2025. 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 2023) and taking the adjustments through to accumulated surplus at that date. Comparatives for 2023-2024 have also been restated, where applicable to reflect the correction of errors. The impact of each line item of the financial statements is shown in the tables below:

Changes to the opening Statement of Financial Position at 1 July 2023

\$ '000	As Previously Reported 1 July, 2023	Impact Increase/ (decrease)	Restated Balance 1 July, 2023
Infrastructure, property, plant and equipment	8,559,167	56,458	8,615,625
Total non-current assets	9,020,130	56,458	9,076,588
Total assets	9,466,232	56,458	9,522,690
Net assets	8,895,805	56,458	8,952,263
Accumulated surplus	7,309,745	56,458	7,366,203
Total equity	8,895,805	56,458	8,952,263

G4-1 Correction of errors (continued)

Adjustments to the comparative figures for the year ended 30 June 2024

\$ '000	As Previously Reported 30 June, 2024	Impact Increase/ (decrease)	Restated Amount 30 June, 2024
Infrastructure, property, plant and equipment	8,919,904	69,342	8,989,246
Total non-current assets	9,363,866	69,342	9,433,208
Total assets	9,860,236	69,342	9,929,578
Net assets	9,366,773	69,342	9,436,115
Accumulated surplus	7,455,511	69,342	7,524,853
Total equity	9,366,773	69,342	9,436,115

Income Statement

\$ '000	As Previously Reported 30 June, 2024	Impact Increase/ (decrease)	Restated Amount 30 June, 2024
Grants and contributions provided for capital purposes	107,166	13,775	120,941
Total income from continuing operations	823,622	13,775	837,397
Depreciation and amortisation	197,295	891	198,186
Total expenses from continuing operations	677,856	891	678,747
Net operating result for the year	145,766	12,884	158,650

Statement of Comprehensive Income

\$ '000	As Previously Reported 30 June, 2024	Impact Increase/ (decrease)	Restated Amount 30 June, 2024
Net operating result for the year	145,766	12,884	158,650
Total comprehensive income for the year	470,968	12,884	483,852

G5 Statement of developer contributions

G5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2024	Contributions received during the year		Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
Drainage	28,200	1,370	—	—	1,271	(751)	—	30,090	—
Roads	26,678	3,317	—	—	1,486	(220)	—	31,261	—
Parking	3,619	—	—	—	137	—	—	3,756	—
Open space	29,153	3,790	—	—	1,806	(275)	—	34,474	—
Community facilities	38,701	2,418	—	—	1,660	(373)	—	42,406	—
Other	1,002	299	—	—	47	—	—	1,348	—
Drainage Capital	3,963	208	—	—	155	—	—	4,326	—
Drainage Land	2,057	44	—	—	79	—	—	2,180	—
Storm Water/Flood Mitigation	2,351	194	—	—	94	—	—	2,639	—
Roads Capital	718	72	—	—	29	—	—	819	—
Roads Land	—	—	—	—	—	—	—	—	—
Open Space Land	4,171	167	—	—	162	—	—	4,500	—
Open Space Embellishment	2,156	562	—	—	75	(969)	—	1,824	—
Community Capital	2,664	185	—	—	106	—	—	2,955	—
Community Land	526	10	—	—	20	—	—	556	—
Recreation	—	—	—	—	—	—	—	—	—
Footpaths	375	22	—	—	15	—	—	412	—
Environment Protection	—	—	—	—	—	—	—	—	—
Towncentre Improvements	2,153	288	—	—	88	—	—	2,529	—
Car Parking Administration	78	—	—	—	3	—	—	81	—
S7.11 contributions – under a plan	148,565	12,946	—	—	7,233	(2,588)	—	166,156	—
S7.12 levies – under a plan	45,929	3,146	—	—	1,702	(6,858)	—	43,919	—
Total S7.11 and S7.12 revenue under plans	194,494	16,092	—	—	8,935	(9,446)	—	210,075	—
S7.4 planning agreements	6,053	—	—	—	298	—	—	6,351	—
S64 contributions - Water	14,023	4,967	—	48	1,142	(136)	—	20,044	—
S64 contributions - Sewer	18,912	3,479	—	34	1,183	(16,320)	—	7,288	—
Total contributions	233,482	24,538	—	82	11,558	(25,902)	—	243,758	—

(1) Restated 2023-24

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

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

G5-1 Summary of developer contributions (continued)

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

G5-2 Developer contributions by plan

S7.11 contributions – under a plan

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 31 - PENINSULA

Drainage Capital	3,963	208	-	-	155	-	-	4,326	-
Drainage Land	2,057	44	-	-	79	-	-	2,180	-
Roads Capital	718	72	-	-	29	-	-	819	-
Open Space Land	4,171	167	-	-	162	-	-	4,500	-
Community Land	526	10	-	-	20	-	-	556	-
Open Space Embellishment	2,149	554	-	-	74	(969)	-	1,808	-
Community Capital	2,664	185	-	-	106	-	-	2,955	-
Total	16,248	1,240	-	-	625	(969)	-	17,144	-

CONTRIBUTION PLAN NUMBER 42 - ERINA (REPEALED)

CONTRIBUTION PLAN NUMBER

36 - ERINA VALLEY

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 47A - TERRIGAL

Storm Water/Flood Mitigation	2,351	194	-	-	94	-	-	2,639	-
Open Space Embellishment	7	8	-	-	1	-	-	16	-
Footpaths	375	22	-	-	15	-	-	412	-
Towncentre Improvements	2,153	288	-	-	88	-	-	2,529	-
Total	4,886	512	-	-	198	-	-	5,596	-

CONTRIBUTION PLAN NUMBER 69 - TERRIGAL PARKING

Parking	1,677	-	-	-	64	-	-	1,741	-
Car Parking Administration	78	-	-	-	3	-	-	81	-
Total	1,755	-	-	-	67	-	-	1,822	-

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 1 - WYONG

Drainage	2,297	457	-	-	97	-	-	2,851	-
Roads	2,789	361	-	-	114	-	-	3,264	-
Parking	1,841	-	-	-	70	-	-	1,911	-
Open space	3,329	81	-	-	138	-	-	3,548	-
Community facilities	3,126	108	-	-	142	-	-	3,376	-
Other	56	-	-	-	2	-	-	58	-
Total	13,438	1,007	-	-	563	-	-	15,008	-

CONTRIBUTION PLAN NUMBER 2 - SOUTHERN LAKES

Drainage	1,451	7	-	-	55	-	-	1,513	-
Roads	993	-	-	-	38	-	-	1,031	-
Open space	3,852	159	-	-	162	(25)	-	4,148	-
Community facilities	3,816	133	-	-	148	-	-	4,097	-
Other	66	19	-	-	3	-	-	88	-
Total	10,178	318	-	-	406	(25)	-	10,877	-

CONTRIBUTION PLAN NUMBER 3 - THE ENTRANCE

Drainage	6	-	-	-	-	-	-	6	-
Roads	3,528	638	-	-	138	(218)	-	4,086	-
Parking	94	-	-	-	3	-	-	97	-
Open space	2,574	276	-	-	101	(50)	-	2,901	-
Community facilities	553	389	-	-	75	-	-	1,017	-
Total	6,755	1,303	-	-	317	(268)	-	8,107	-

CONTRIBUTION PLAN NUMBER 5 - OURIMBAH

Roads	281	2	-	-	11	-	-	294	-
Open space	225	78	-	-	11	-	-	314	-
Community facilities	2,237	65	-	-	87	-	-	2,389	-
Other	2	9	-	-	-	-	-	11	-
Total	2,745	154	-	-	109	-	-	3,008	-

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 6 - TOUKLEY

Drainage	6	-	-	-	-	-	-	6	-
Roads	17	-	-	-	1	-	-	18	-
Parking	7	-	-	-	-	-	-	7	-
Open space	1,531	35	-	-	63	-	-	1,629	-
Community facilities	2,470	34	-	-	95	-	-	2,599	-
Total	4,031	69	-	-	159	-	-	4,259	-

CONTRIBUTION PLAN NUMBER 7 - GOROKAN

Roads	127	-	-	-	32	-	-	159	-
Open space	1,705	124	-	-	74	-	-	1,903	-
Community facilities	1,299	103	-	-	52	-	-	1,454	-
Other	37	17	-	-	2	-	-	56	-
Total	3,168	244	-	-	160	-	-	3,572	-

CONTRIBUTION PLAN NUMBER 8 - SAN REMO

Drainage	406	-	-	-	15	-	-	421	-
Roads	519	11	-	-	44	-	-	574	-
Open space	1,650	42	-	-	90	-	-	1,782	-
Community facilities	281	35	-	-	11	-	-	327	-
Other	20	5	-	-	1	-	-	26	-
Total	2,876	93	-	-	161	-	-	3,130	-

CONTRIBUTION PLAN NUMBER 9 - BUDGEWOI

Roads	86	-	-	-	-	-	-	86	-
Open space	337	77	-	-	13	(45)	-	382	-
Community facilities	2,390	65	-	-	92	-	-	2,547	-
Other	9	10	-	-	-	-	-	19	-
Total	2,822	152	-	-	105	(45)	-	3,034	-

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER - 13 SHIRE WIDE

Open space	2,460	242	-	-	100	-	-	2,802	-
Community facilities	380	184	-	-	3	-	-	567	-
Other	75	35	-	-	4	-	-	114	-
Total	2,915	461	-	-	107	-	-	3,483	-

CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS

Roads	3,796	877	-	-	169	-	-	4,842	-
Open space	2,414	964	-	-	116	(155)	-	3,339	-
Community facilities	4,296	818	-	-	183	(373)	-	4,924	-
Other	35	111	-	-	4	-	-	150	-
Total	10,541	2,770	-	-	472	(528)	-	13,255	-

CONTRIBUTION PLAN NUMBER 17 - WARNERVALE DISTRICT

Drainage	24,034	906	-	-	1,104	(751)	-	25,293	-
Roads	14,542	1,428	-	-	939	(2)	-	16,907	-
Open space	9,077	1,712	-	-	938	-	-	11,727	-
Community facilities	17,853	484	-	-	772	-	-	19,109	-
Other	702	93	-	-	31	-	-	826	-
Total	66,208	4,623	-	-	3,784	(753)	-	73,862	-

S7.12 Levies – under a plan

CONTRIBUTION PLAN S7.12 (INCLUDING REPEALED CONTRIBUTIONS)

Town-centre Improvements	45,929	3,146	-	-	1,702	(6,858)	-	43,919	-
Total	45,929	3,146	-	-	1,702	(6,858)	-	43,919	-

End of the audited financial statements



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Central Coast Council

To the Councillors of Central Coast Council

Opinion

I have audited the accompanying financial statements of Central Coast Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of the Division
 - are, in all material respects, consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine 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 are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



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

23 October 2025

SYDNEY



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

Contact: Caroline Karakatsanis
Phone no: 02 9275 7143
Our ref: R008-1981756498-6257

23 October 2025

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2025
Central Coast Council**

I have audited the general purpose financial statements (GPFS) of Central Coast Council (the Council) for the year ended 30 June 2025 as required by section 415 of the *Local Government Act 1993* (the Act).

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

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

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2025 is issued in accordance with section 417 of the Act. The Report:

- must address the specific matters outlined in the Local Government Code of Accounting Practice and Financial Reporting 2024–25
- may include statements, comments and recommendations that I consider to be appropriate based on the conduct of the audit of the GPFS.

This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Financial performance

	2025 \$m	2024* \$m	Variance %
Rates and annual charges revenue	459.6	421.5	9.0
Grants and contributions provided for operating purposes revenue	44.4	52.8	15.9
Grants and contributions provided for capital purposes revenue	129.5	120.9	7.1
Operating result from continuing operations	158.0	158.7	0.4
Net Operating result for the year before grants and contributions provided for capital purposes	28.5	37.7	24.4

* The 2024 comparatives have been restated to correct a prior period error. Note G4-1 of the financial statements provides details of the prior period error.

Operating result from continuing operations

This graph shows the operating result from continuing operations for the current and prior two financial years.

Council's operating result from continuing operations for the year was \$0.7 million lower than the 2023–24 result.

In 2024–25:

- Depreciation, amortisation and impairment of non-financial assets expense (\$211.4 million) increased by \$13.3 million (6.7 per cent) mainly due to completed work-in-progress projects and assets renewals of \$255.5 million in 2024–25 as well as increases in the fair value of assets (\$325.2 million) during 2023–24.

The net operating result for the year before grants and contributions provided for capital purposes was \$28.5 million. Refer to 'Grants and contributions revenue' below for details.



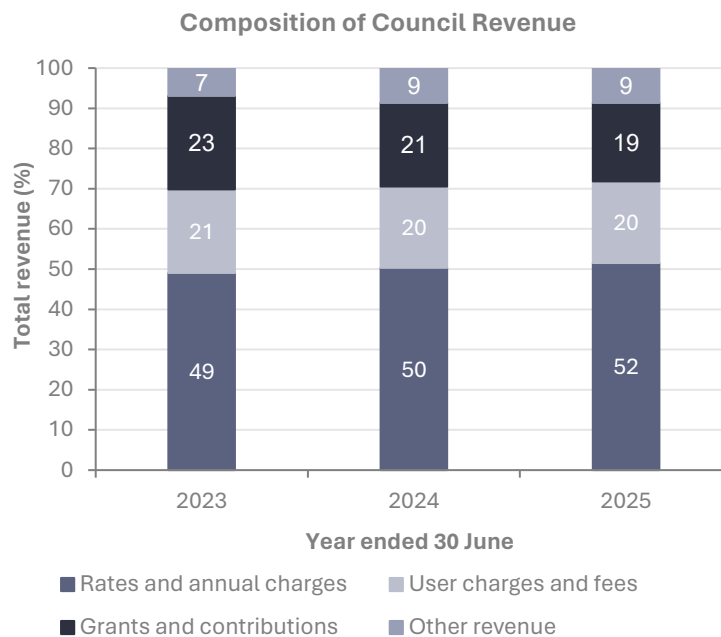
Income

Council revenue

This graph shows the composition of Council's revenue recognised for the current and prior two financial years.

Council revenue (\$892.1 million) increased by \$54.7 million (6.5 per cent) in 2024–25 due to:

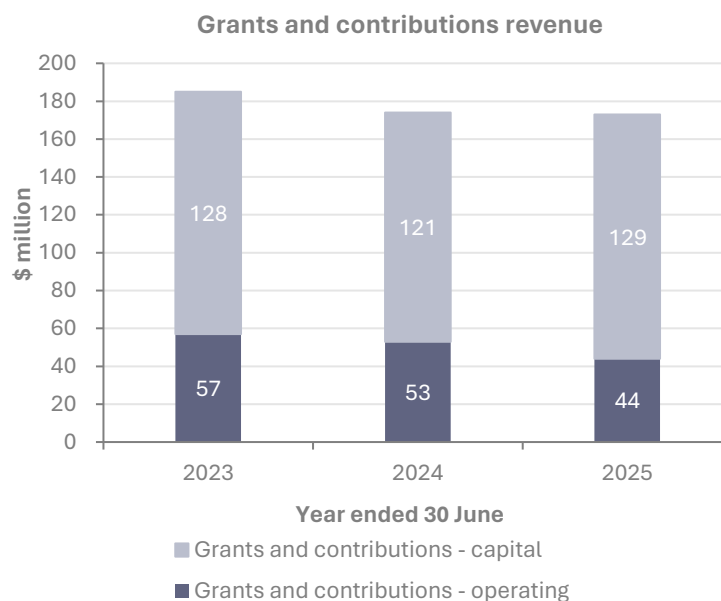
- rates and annual charges revenue (\$459.6 million) which increased by \$38.1 million (9.0 per cent) due to rate peg increase of 4.8 per cent applied to general rates and various increases in annual charges including those determined by IPART
- user charges and fees revenue (\$181.2 million) which increased by \$11.8 million (7.0 per cent) mainly due to increase in water supply services charges of \$2.4 million (3.6 per cent) and tipping fees revenue of \$2.9 million (12.3 per cent)
- grants and contributions revenue (\$173.9 million) increased by \$0.2 million – see additional details below.



Grants and contributions revenue

This graph shows the amount of grants and contributions revenue recognised for the current and prior two financial years.

Grants and contributions revenue (\$173.9 million) increased by \$0.2 million in 2024–25. These contributions will fluctuate year on year and impacted by Council receiving 50 per cent of the financial assistance grants for 2025–26 in advance (85 per cent for 2024–25).



CASH FLOWS

Statement of cash flows

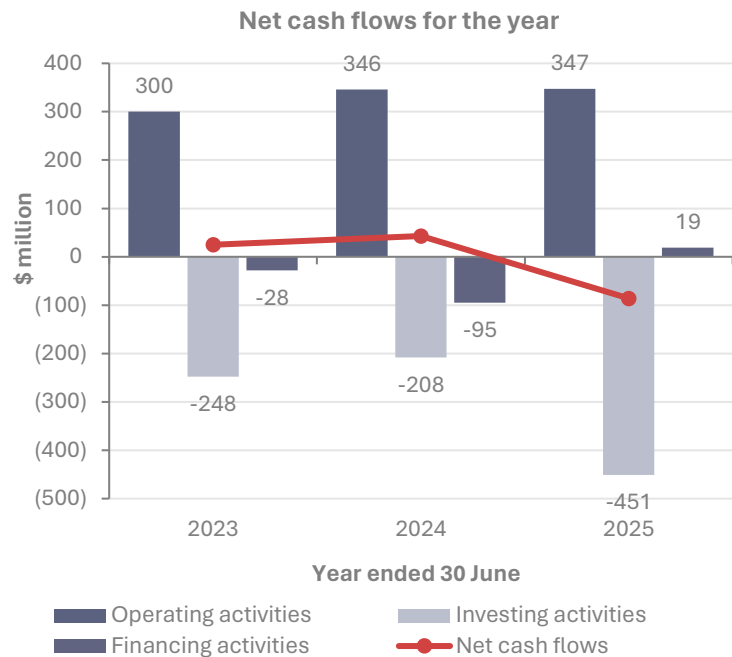
The Statement of Cash Flows details the Council's inflows and outflows of cash over a specific period. It helps in assessing the Council's ability to generate cash to fund its operations, pay off debts, and support future projects. It also aids in identifying any pressures or issues in the Council operating in a financially sustainable manner.

This graph shows the net cash flows for the current and prior two financial years.

The net cash flows for the year were negative \$85.5 million (positive \$43.4 million in 2023–24).

In 2024–25 the net cashflows:

- from operating activities remained stable compared to 2023–24
- used in investing activities increased by \$243.4 million, mainly due to increase in purchase of financial investments of \$193.4 million and spending on IPPE
- from financing activities increased by \$114 million, due to increase in proceeds from borrowings of \$30 million and a decrease in repayment of borrowings by \$84 million.



FINANCIAL POSITION

Cash, cash equivalents and investments

This section of the Report provides details of the amount of cash, cash equivalents and investments recorded by the Council at 30 June 2025.

Externally restricted funds are the cash, cash equivalents and investments that can only be used for specific purposes due to legal or contractual restrictions.

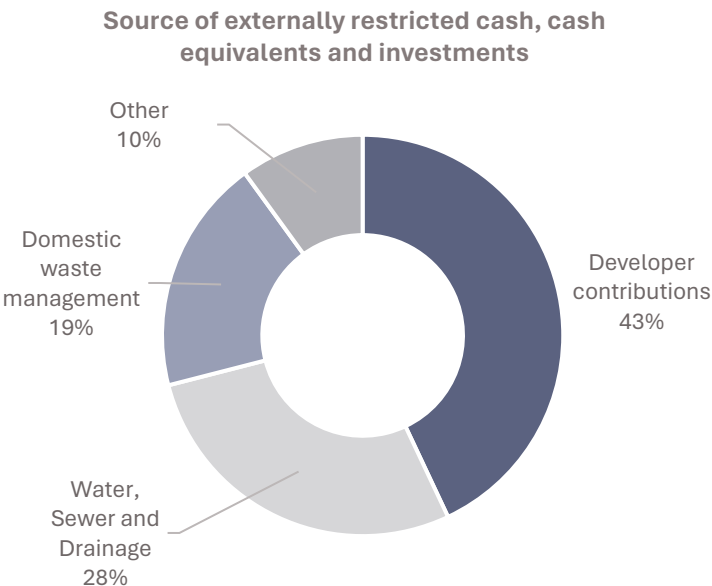
Cash, cash equivalents, and investments without external restrictions can be allocated internally by the elected Council's resolution or policy. These allocations are matters of Council policy and can be changed or removed by a Council resolution.

Cash, cash equivalents and investments	2025	2024	Percentage of total cash and investments 2025	Commentary
	\$m	\$m	%	
Total cash, cash equivalents and investments	874.2	799.7		Externally restricted balances are those which are only available for specific use due to a restriction placed by legislation or third-party contract. A breakdown of the sources of externally restricted balances is included in the graph below. Internal allocations are determined by council policies or decisions, which are subject to change. There were a \$16.8 million increase in Emergency loan repayments in internal allocations in 2024–25.
Restricted and allocated cash, cash equivalents and investments:				
• External restrictions	581.5	549.8	66.5	
• Internal allocations	163.8	127.1	18.7	

This graph shows the sources of externally restricted cash, cash equivalents and investments.

In 2024–25 the Council’s main sources of externally restricted cash, cash equivalents and investments include:

- developer contributions of \$250.7 million which increased by \$10.8 million, mainly due to interest and investment income earned from unspent developer contributions
- water, sewer and drainage charges of \$164.6 million which increased by \$34.9 million
- domestic waste management charges of \$112.1 million which remained similar to the prior year.



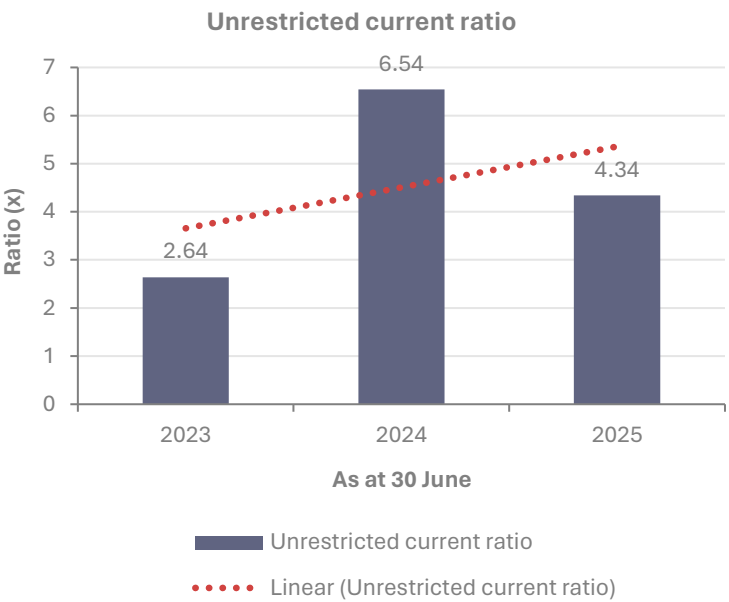
Council liquidity

This graph shows the Council's unrestricted current ratio for the current and prior two financial years.

The unrestricted current ratio is specific to local government and represents council's ability to meet its short-term obligations as they fall due. It measures the ratio of unrestricted current assets to current liabilities less specific purpose liabilities.

In 2023–24, the unrestricted current ratio was an average of 3.7x for metropolitan councils and 3.1x for regional councils.

Council's unrestricted current liabilities increased by \$36.0 million largely due to increase in goods and services payables of \$13.9 million during 2024–25.

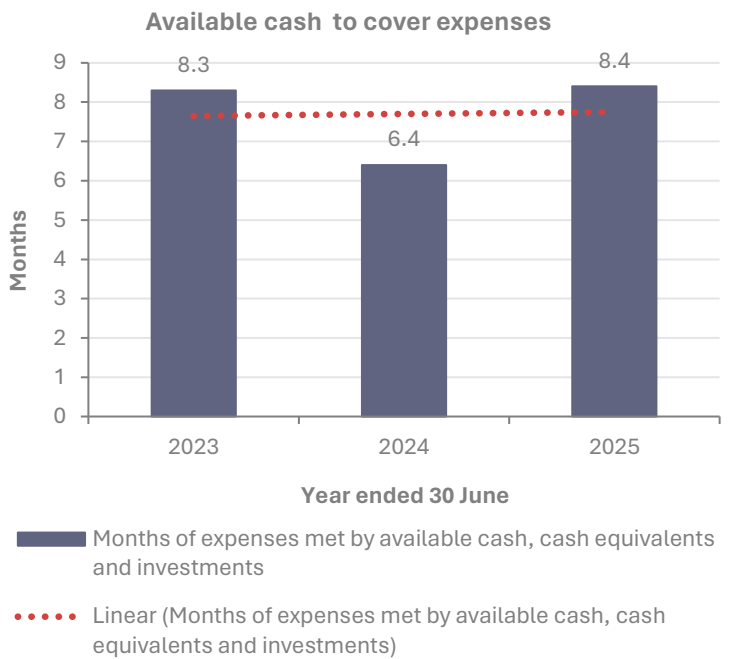


This graph shows the number of months of general fund expenses (excluding depreciation and borrowing costs), Council can fund from its available cash, cash equivalents and investments (not subject to external restrictions).

Further details on cash, cash equivalents and investments including the sources of external restrictions are included in the section above.

In 2023–24, the available cash to cover expenses was an average of 8 months for metropolitan councils and 16 months for regional councils.

Council had \$292.7 million (\$249.9 million in 2023–24) of unrestricted cash, cash equivalents and investments to meet future expenses as of 30 June 2025.

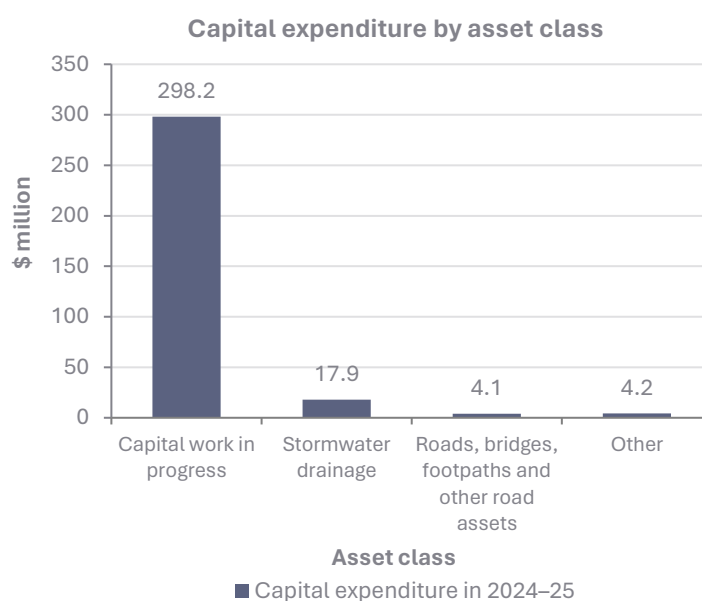


Infrastructure, property, plant and equipment

This graph shows how much the Council spent on renewing and purchasing assets in 2024–25.

Council renewed \$226.9 million of infrastructure, property, plant and equipment during the 2024–25 financial year. This was mainly spent on roads, water supply network and sewerage network. A further \$97.5 million was spent on new assets.

Council renewed \$170.7 million of infrastructure, property, plant and equipment during the 2023–24 financial year.



Debt

The table below provides an overview of the Council’s loans and committed borrowing facilities.

Committed borrowing facilities are an element of liquidity management and include bank overdrafts, and credit cards.

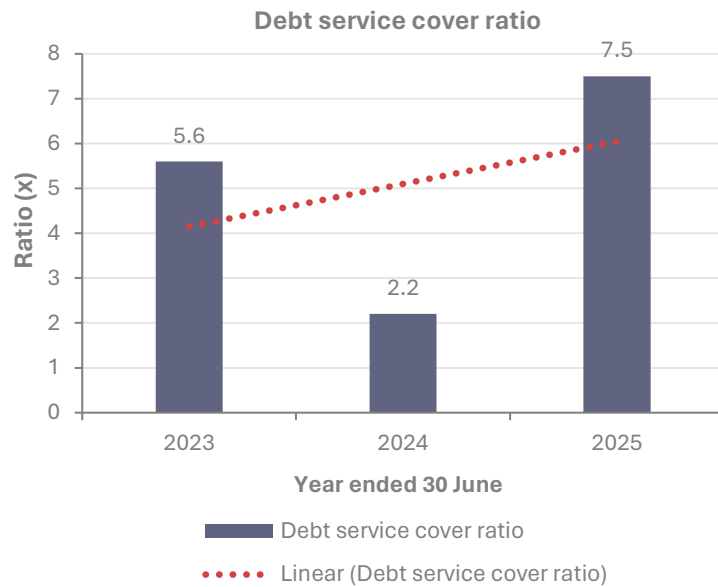
Debt	2025	2024	Commentary
	\$m	\$m	
Loans	211.4	191.6	In 2024–25 Council drew down \$40 million for the Mardi Water Treatment Plant project and repaid \$20.2 million in borrowings.
Credit card facility	0.6	0.6	Council’s use of the credit card facility remains stable.
Amount used	0.2	0.1	

Debt service cover

This graph shows the Council's debt service cover ratio for the current and prior two financial years.

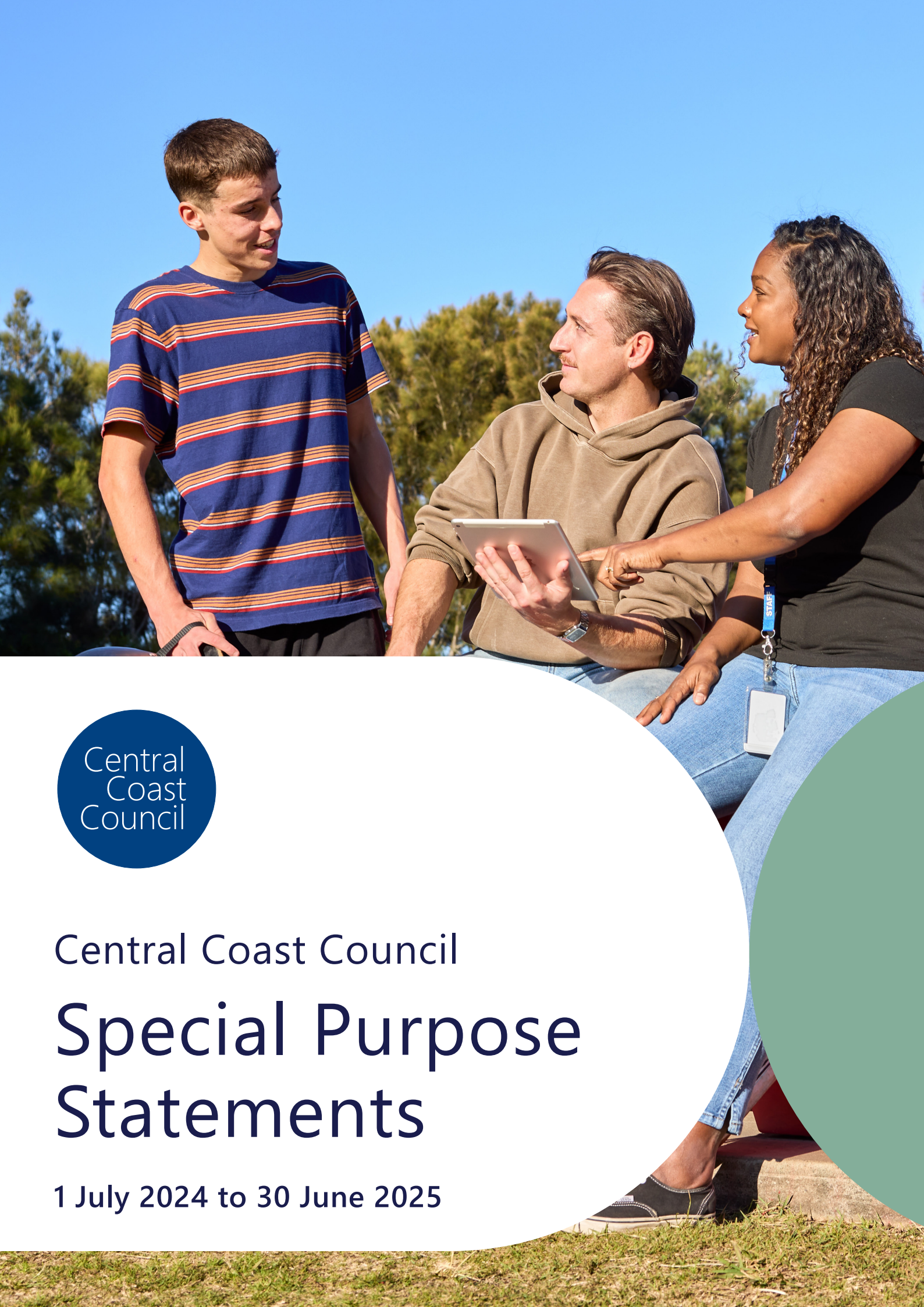
The debt service cover ratio measures the operating cash to service debt including interest, principal and lease payments.

The increase in 2024–25 ratio was mainly due to \$84 million reduction of debt principal repayments in 2024–25.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General



Central
Coast
Council

Central Coast Council

Special Purpose Statements

1 July 2024 to 30 June 2025

Special Purpose Financial Statements

for the year ended 30 June 2025

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

Background

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

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

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

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

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

Central Coast Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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

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

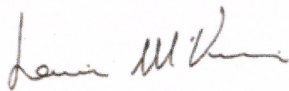
- NSW Government Policy Statement *Application of National Competition Policy to Local Government*,
- Division of Local Government Guidelines *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*,
- The Local Government Code of Accounting Practice and Financial Reporting,
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities*, July 2022

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

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

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

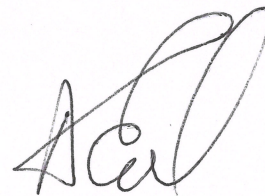
Signed in accordance with a resolution of Council made on 23 September 2025.



Lawrie McKinna

Mayor

23 September 2025



Doug Eaton

Deputy Mayor

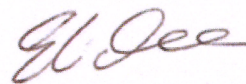
23 September 2025



Marissa Racomelara

A/ Chief Executive Officer

23 September 2025



Emma Galea

Responsible Accounting Officer

23 September 2025

Central Coast Council

Income Statement of water supply business activity

for the year ended 30 June 2025

\$ '000	2025	2024 Restated
Income from continuing operations		
Access charges	50,958	34,673
User charges	72,305	69,891
Fees	2,244	2,071
Interest and investment income	4,279	1,914
Grants and contributions provided for operating purposes	95	131
Net gain from the disposal of assets	–	602
Other income	270	128
Total income from continuing operations	130,151	109,410
Expenses from continuing operations		
Employee benefits and on-costs	19,831	17,053
Borrowing costs	7,903	7,072
Materials and services	43,782	38,628
Depreciation, amortisation and impairment	40,081	38,328
Water purchase charges	652	352
Net loss from the disposal of assets	421	534
Calculated taxation equivalents	916	795
Other expenses	99	31
Total expenses from continuing operations	113,685	102,793
Surplus (deficit) from continuing operations before capital amounts	16,466	6,617
Grants and contributions provided for capital purposes	9,992	7,192
Surplus (deficit) from continuing operations after capital amounts	26,458	13,809
Surplus (deficit) from all operations before tax	26,458	13,809
Less: corporate taxation equivalent (30%) [based on result before capital]	(4,940)	(1,985)
SURPLUS (DEFICIT) AFTER TAX	21,518	11,824
Opening accumulated surplus	976,505	961,169
Prior period adjustment - found assets	–	732
Adjustments for amounts unpaid:		
– Taxation equivalent payments	916	795
– Corporate taxation equivalent	4,940	1,985
Closing accumulated surplus	1,003,879	976,505
Return on capital %	1.5%	0.9%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	21,519	11,824
Less: capital grants and contributions (excluding developer contributions)	(9,992)	(7,192)
Surplus for dividend calculation purposes	11,527	4,632
Dividend calculated from surplus	5,763	2,316

Central Coast Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

\$ '000	2025	2024 Restated
Income from continuing operations		
Access charges	79,802	73,563
User charges	21,189	20,481
Liquid trade waste charges	3,746	3,243
Fees	765	783
Interest and investment income	8,113	7,988
Grants and contributions provided for operating purposes	51	173
Other income	566	1,201
Total income from continuing operations	114,232	107,432
Expenses from continuing operations		
Employee benefits and on-costs	23,858	18,074
Borrowing costs	1,505	1,658
Materials and services	51,169	42,165
Depreciation, amortisation and impairment	46,238	42,016
Net loss from the disposal of assets	2,514	2,675
Calculated taxation equivalents	300	258
Other expenses	459	248
Total expenses from continuing operations	126,043	107,094
Surplus (deficit) from continuing operations before capital amounts	(11,811)	338
Grants and contributions provided for capital purposes	12,971	14,174
Surplus (deficit) from continuing operations after capital amounts	1,160	14,512
Surplus (deficit) from all operations before tax	1,160	14,512
Less: corporate taxation equivalent (30%) [based on result before capital]	–	(101)
SURPLUS (DEFICIT) AFTER TAX	1,160	14,411
Opening accumulated surplus	1,539,987	1,524,905
Prior period adjustment - found assets	–	312
Adjustments for amounts unpaid:		
– Taxation equivalent payments	300	258
– Corporate taxation equivalent	–	101
Closing accumulated surplus	1,541,447	1,539,987
Return on capital %	(0.6)%	0.1%
Subsidy from Council	10,306	–
Calculation of dividend payable:		
Surplus (deficit) after tax	1,160	14,411
Less: capital grants and contributions (excluding developer contributions)	(12,971)	(14,174)
Surplus for dividend calculation purposes	–	237
Dividend calculated from surplus	–	119

Central Coast Council

Income Statement – Drainage

for the year ended 30 June 2025

	2025 Category 1	2024 Category 1 Restated
\$ '000		
Income from continuing operations		
Annual charges	21,218	20,394
Interest and investment income	369	306
Grants and contributions provided for operating purposes	1,595	4,584
Other income	13	10
Total income from continuing operations	23,195	25,294
Expenses from continuing operations		
Employee benefits and on-costs	2,660	2,703
Borrowing costs	341	395
Materials and services	9,069	13,795
Depreciation, amortisation and impairment	15,383	14,307
Net loss from the disposal of assets	178	1,103
Calculated taxation equivalents	120	95
Other expenses	9	1
Total expenses from continuing operations	27,760	32,399
Surplus (deficit) from continuing operations before capital amounts	(4,565)	(7,105)
Grants and contributions provided for capital purposes	19,757	12,419
Surplus (deficit) from continuing operations after capital amounts	15,192	5,314
Surplus (deficit) from all operations before tax	15,192	5,314
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
SURPLUS (DEFICIT) AFTER TAX	15,192	5,314
Opening accumulated surplus	1,052,410	1,022,883
Prior period adjustment - found assets	–	24,118
Adjustments for amounts unpaid:		
– Taxation equivalent payments	120	95
Closing accumulated surplus	1,067,722	1,052,410
Return on capital %	(0.3)%	(0.5)%
Subsidy from Council	4,224	6,444
Calculation of dividend payable:		
Surplus (deficit) after tax	15,192	5,314
Less: capital grants and contributions (excluding developer contributions)	(19,757)	(12,419)
Surplus for dividend calculation purposes	–	–
Dividend calculated from surplus	–	–

Central Coast Council

Income Statement – Holiday Parks

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	13,812	12,913
Fees	2	17
Other income	4	4
Total income from continuing operations	13,818	12,934
Expenses from continuing operations		
Employee benefits and on-costs	311	304
Borrowing costs	47	48
Materials and services	8,791	9,240
Depreciation, amortisation and impairment	1,624	1,320
Net loss from the disposal of assets	30	–
Calculated taxation equivalents	358	312
Other expenses	641	379
Total expenses from continuing operations	11,802	11,603
Surplus (deficit) from continuing operations before capital amounts	2,016	1,331
Surplus (deficit) from continuing operations after capital amounts	2,016	1,331
Surplus (deficit) from all operations before tax	2,016	1,331
Less: corporate taxation equivalent (25%) [based on result before capital]	(504)	(333)
SURPLUS (DEFICIT) AFTER TAX	1,512	998
Opening accumulated surplus	50,032	44,477
Adjustments for amounts unpaid:		
– Taxation equivalent payments	358	312
– Corporate taxation equivalent	504	333
– Subsidy paid/contribution to operations	4,319	3,912
Closing accumulated surplus	56,725	50,032
Return on capital %	5.0%	3.5%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	1,512	998
Surplus for dividend calculation purposes	1,512	998
Dividend calculated from surplus	756	499

Central Coast Council

Income Statement – Leisure Centres

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	8,846	8,204
Grants and contributions provided for operating purposes	105	–
Other income	633	602
Total income from continuing operations	9,584	8,806
Expenses from continuing operations		
Employee benefits and on-costs	7,690	7,299
Materials and services	5,936	5,544
Depreciation, amortisation and impairment	2,867	2,771
Net loss from the disposal of assets	48	1
Calculated taxation equivalents	659	599
Total expenses from continuing operations	17,200	16,214
Surplus (deficit) from continuing operations before capital amounts	(7,616)	(7,408)
Grants and contributions provided for capital purposes	255	528
Surplus (deficit) from continuing operations after capital amounts	(7,361)	(6,880)
Surplus (deficit) from all operations before tax	(7,361)	(6,880)
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
SURPLUS (DEFICIT) AFTER TAX	(7,361)	(6,880)
Opening accumulated surplus	60,103	51,578
Adjustments for amounts unpaid:		
– Taxation equivalent payments	659	599
– Subsidy payable/contribution to operations by Council	11,793	14,806
Closing accumulated surplus	65,194	60,103
Return on capital %	(10.4)%	(11.0)%
Subsidy from Council	7,616	7,408
Calculation of dividend payable:		
Surplus (deficit) after tax	(7,361)	(6,880)
Less: capital grants and contributions (excluding developer contributions)	(255)	(528)
Surplus for dividend calculation purposes	–	–
Dividend calculated from surplus	–	–

Central Coast Council

Income Statement – Child Care

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	9,784	8,888
Grants and contributions provided for operating purposes	658	670
Total income from continuing operations	10,442	9,558
Expenses from continuing operations		
Employee benefits and on-costs	8,016	7,205
Borrowing costs	22	22
Materials and services	4,225	2,486
Depreciation, amortisation and impairment	556	476
Net loss from the disposal of assets	36	19
Calculated taxation equivalents	473	413
Total expenses from continuing operations	13,328	10,621
Surplus (deficit) from continuing operations before capital amounts	(2,886)	(1,063)
Grants and contributions provided for capital purposes	4	71
Surplus (deficit) from continuing operations after capital amounts	(2,882)	(992)
Surplus (deficit) from all operations before tax	(2,882)	(992)
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
SURPLUS (DEFICIT) AFTER TAX	(2,882)	(992)
Opening accumulated surplus	9,730	9,180
Adjustments for amounts unpaid:		
– Taxation equivalent payments	473	413
– Subsidy payable/contribution to operations by Council	2,428	1,129
Closing accumulated surplus	9,749	9,730
Return on capital %	(24.9)%	(9.3)%
Subsidy from Council	2,864	1,041
Calculation of dividend payable:		
Surplus (deficit) after tax	(2,882)	(992)
Less: capital grants and contributions (excluding developer contributions)	(4)	(71)
Surplus for dividend calculation purposes	–	–
Dividend calculated from surplus	–	–

Central Coast Council

Income Statement – Commercial Waste

for the year ended 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
Annual charges	4,623	4,512
Interest and investment income	25	16
Total income from continuing operations	4,648	4,528
Expenses from continuing operations		
Employee benefits and on-costs	22	26
Materials and services	2,157	1,385
Other expenses	–	371
Total expenses from continuing operations	2,179	1,782
Surplus (deficit) from continuing operations before capital amounts	2,469	2,746
Surplus (deficit) from continuing operations after capital amounts	2,469	2,746
Surplus (deficit) from all operations before tax	2,469	2,746
Less: corporate taxation equivalent (25%) [based on result before capital]	(617)	(687)
SURPLUS (DEFICIT) AFTER TAX	1,852	2,059
Opening accumulated surplus	197	(288)
Adjustments for amounts unpaid:		
– Corporate taxation equivalent	617	687
– Subsidy paid/contribution to operations	(2,452)	(2,261)
Closing accumulated surplus	214	197
Return on capital %	0.0%	0.0%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	1,852	2,059
Surplus for dividend calculation purposes	1,852	2,059
Dividend calculated from surplus	926	1,030

Central Coast Council

Income Statement – Building Certification

for the year ended 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
Fees	652	641
Other income	1	1
Total income from continuing operations	653	642
Expenses from continuing operations		
Employee benefits and on-costs	2,606	2,454
Materials and services	290	57
Calculated taxation equivalents	85	69
Total expenses from continuing operations	2,981	2,580
Surplus (deficit) from continuing operations before capital amounts	(2,328)	(1,938)
Surplus (deficit) from continuing operations after capital amounts	(2,328)	(1,938)
Surplus (deficit) from all operations before tax	(2,328)	(1,938)
Less: corporate taxation equivalent (25%) [based on result before capital]	–	–
SURPLUS (DEFICIT) AFTER TAX	(2,328)	(1,938)
Opening accumulated surplus	(1,158)	(1,190)
Adjustments for amounts unpaid:		
– Taxation equivalent payments	85	69
– Subsidy payable/contribution to operations by Council	2,294	1,901
Closing accumulated surplus	(1,107)	(1,158)
Return on capital %	0.0%	0.0%
Subsidy from Council	2,328	1,938
Calculation of dividend payable:		
Surplus (deficit) after tax	(2,328)	(1,938)
Surplus for dividend calculation purposes	–	–
Dividend calculated from surplus	–	–

Central Coast Council

Statement of Financial Position of water supply business activity

as at 30 June 2025

\$ '000	2025	2024 Restated
ASSETS		
Current assets		
Cash and cash equivalents	4,694	3,200
Investments	29,989	29,772
Receivables	32,050	29,182
Other	57	128
Total current assets	116,790	62,282
Non-current assets		
Right of use assets	255	359
Investments	547	547
Receivables	25	27
Infrastructure, property, plant and equipment	1,578,158	1,537,532
Total non-current assets	1,578,985	1,538,465
Total assets	1,695,775	1,600,747
LIABILITIES		
Current liabilities		
Contract liabilities	–	108
Lease liabilities	125	115
Provisions	216	649
Payables	14,922	9,486
Borrowings	24,787	13,711
Employee benefit provisions	6,970	5,591
Total current liabilities	47,020	29,660
Non-current liabilities		
Contract liabilities	2,255	2,255
Lease liabilities	194	319
Provisions	962	1,199
Borrowings	128,119	112,977
Total non-current liabilities	131,530	116,750
Total liabilities	178,550	146,410
NET ASSETS	1,517,225	1,454,337
EQUITY		
Accumulated surplus	1,003,880	976,505
IPPE revaluation reserves	513,345	477,832
Total equity	1,517,225	1,454,337

Central Coast Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

\$ '000	2025	2024 Restated
ASSETS		
Current assets		
Cash and cash equivalents	3,878	8,509
Investments	66,085	79,171
Receivables	15,962	17,025
Other	57	128
Non-current assets classified as held for sale	480	480
Total current assets	86,462	105,313
Non-current assets		
Right of use assets	255	359
Investments	78,734	78,734
Receivables	7,707	8,408
Infrastructure, property, plant and equipment	1,793,552	1,730,496
Total non-current assets	1,880,248	1,817,997
Total assets	1,966,710	1,923,310
LIABILITIES		
Current liabilities		
Contract liabilities	8,174	4,975
Lease liabilities	125	115
Provisions	414	701
Payables	13,249	7,254
Borrowings	3,670	3,458
Employee benefit provisions	5,085	4,979
Total current liabilities	30,717	21,482
Non-current liabilities		
Contract liabilities	824	5,383
Lease liabilities	194	319
Provisions	626	683
Borrowings	24,414	28,083
Total non-current liabilities	26,058	34,468
Total liabilities	56,775	55,950
NET ASSETS	1,909,935	1,867,360
EQUITY		
Accumulated surplus	1,541,445	1,539,986
IPPE revaluation reserves	368,490	327,374
Total equity	1,909,935	1,867,360

Central Coast Council

Statement of Financial Position – Drainage

as at 30 June 2025

	2025 Category 1	2024 Category 1 Restated
\$ '000		
ASSETS		
Current assets		
Cash and cash equivalents	257	532
Investments	4,378	4,946
Receivables	2,445	2,405
Total current assets	7,080	7,883
Non-current assets		
Investments	95	95
Receivables	1	1
Infrastructure, property, plant and equipment	1,238,846	1,348,853
Total non-current assets	1,238,942	1,348,949
Total assets	1,246,022	1,356,832
LIABILITIES		
Current liabilities		
Contract liabilities	132	1,040
Payables	363	1,585
Borrowings	27,030	26,269
Employee benefit provisions	108	95
Total current liabilities	27,633	28,989
Non-current liabilities		
Contract liabilities	455	567
Borrowings	4,964	6,291
Total non-current liabilities	5,419	6,858
Total liabilities	33,052	35,847
NET ASSETS	1,212,970	1,320,985
EQUITY		
Accumulated surplus	1,067,722	1,052,410
IPPE revaluation reserves	145,248	268,575
Total equity	1,212,970	1,320,985

Central Coast Council

Statement of Financial Position – Holiday Parks

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	2	—
Investments	18,434	14,605
Receivables	238	231
Other	—	18
Total current assets	18,674	14,854
Non-current assets		
Right of use assets	1,085	1,148
Infrastructure, property, plant and equipment	41,141	39,285
Total non-current assets	42,226	40,433
Total assets	60,900	55,287
LIABILITIES		
Current liabilities		
Contract liabilities	2,040	1,926
Lease liabilities	30	26
Payables	879	2,021
Employee benefit provisions	63	89
Total current liabilities	3,012	4,062
Non-current liabilities		
Lease liabilities	1,163	1,193
Total non-current liabilities	1,163	1,193
Total liabilities	4,175	5,255
NET ASSETS	56,725	50,032
EQUITY		
Accumulated surplus	56,725	50,032
Total equity	56,725	50,032

Central Coast Council

Statement of Financial Position – Leisure Centres

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	153	129
Other	132	64
Total current assets	285	193
Non-current assets		
Infrastructure, property, plant and equipment	72,931	67,428
Total non-current assets	72,931	67,428
Total assets	73,216	67,621
LIABILITIES		
Current liabilities		
Contract liabilities	40	32
Payables	1,380	916
Employee benefit provisions	1,114	1,082
Total current liabilities	2,534	2,030
Non-current liabilities		
Total non-current liabilities	–	–
Total liabilities	2,534	2,030
NET ASSETS	70,682	65,591
EQUITY		
Accumulated surplus	65,194	60,103
IPPE Revaluation reserves	5,488	5,488
Total equity	70,682	65,591

Central Coast Council

Statement of Financial Position – Child Care

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	187	281
Total current assets	187	281
Non-current assets		
Right of use assets	372	386
Infrastructure, property, plant and equipment	11,522	11,253
Total non-current assets	11,894	11,639
Total assets	12,081	11,920
LIABILITIES		
Current liabilities		
Contract liabilities	319	274
Payables	91	50
Employee benefit provisions	1,376	1,385
Provisions	66	3
Total current liabilities	1,852	1,712
Non-current liabilities		
Lease liabilities	480	478
Total non-current liabilities	480	478
Total liabilities	2,332	2,190
NET ASSETS	9,749	9,730
EQUITY		
Accumulated surplus	9,749	9,730
Total equity	9,749	9,730

Central Coast Council

Statement of Financial Position – Commercial Waste

as at 30 June 2025

\$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	334	222
Total current assets	334	222
Total assets	334	222
LIABILITIES		
Current liabilities		
Payables	120	25
Total current liabilities	120	25
Non-current liabilities		
Total non-current liabilities	–	–
Total liabilities	120	25
NET ASSETS	214	197
EQUITY		
Accumulated surplus	214	197
Total equity	214	197

Central Coast Council

Statement of Financial Position – Building Certification

as at 30 June 2025

\$ '000	2025 Category 2	2024 Category 2
ASSETS		
Current assets		
	–	–
Total current assets	–	–
Non-current assets		
	–	–
Total non-current assets	–	–
Total assets	–	–
LIABILITIES		
Current liabilities		
Payables	1	–
Employee benefit provisions	1,106	1,158
Total current liabilities	1,107	1,158
Non-current liabilities		
Total non-current liabilities	–	–
Total liabilities	1,107	1,158
NET ASSETS	(1,107)	(1,158)
EQUITY		
Accumulated deficit	(1,107)	(1,158)
Total equity	(1,107)	(1,158)

Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows. These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the *Local Government Act 1993 (NSW)*, the *Local Government (General) Regulation 2021*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Water supplies

Water catchment, treatment and supply.

b. Sewerage services

Sewerage collection, treatment and disposal.

c. Stormwater drainage services

Provide and maintain stormwater drainage services.

d. Commercial waste management

Collection and disposal of commercial waste.

e. Care and Education

Provision of child care services.

f. Holiday Parks

Provision of holiday parks.

g. Leisure Centres

Provision of leisure centres.

Category 2

(where gross operating turnover is less than \$2 million)

a. Building Certification

Provision of building certification services.

Note – Material accounting policy information (continued)

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

	Notional rate applied %
Corporate tax rate	25% for business activities with a gross turnover < \$50M (Drainage, Holiday Parks, Leisure Centres, Child Care, Commercial Waste, Building Certification). 30% for business activities with a gross turnover > \$50M (Water supply and Sewerage).
Land tax	Land value < \$1,075,000 attracts 0% Land value > \$1,075,000 but < \$6,571,000 attracts \$100 + 1.6% of the land value above \$1,075,000 Land value > \$6,571,000 attracts \$88,036 + 2% of the land value above \$6,571,000.
Payroll tax (where not paid)	5.45% on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with DCCEEW's regulatory and assurance framework, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the regulatory and assurance framework as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to DCCEEW's regulatory and assurance framework is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (for business activities < \$50M gross turnover) and 30% (for business activities > \$50M gross turnover).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% (business activities < \$50M gross turnover) or 30% (business activities > \$50M gross turnover) is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

Note – Material accounting policy information (continued)

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

(iii) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses, or to any external entities.

A local government water supply and sewerage businesses is permitted to pay annual dividends from their water supply or sewerage business surpluses.

Each dividend must be calculated and approved in accordance with the Department of Climate Change, Energy, the Environment and Water guidelines and must not exceed:

- 50% of the relevant surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2025 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with DCCEEW's regulatory and assurance framework, statement of compliance and statement of dividend payment, dividend payment form and unqualified independent financial audit report are submitted to DCCEEW.

End of Audited Special Purpose Financial Statements.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Central Coast Council

To the Councillors of Central Coast Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Central Coast Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2025, the Statement of Financial Position of each Declared Business Activity as at 30 June 2025 and the Material accounting policy information note.

The Declared Business Activities of the Council are:

- Water Supply Business
- Sewerage Business
- Drainage
- Holiday Parks
- Leisure Centres
- Child Care
- Commercial Waste
- Building Certification

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2025, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Material accounting policy information note and the Local Government Code of Accounting Practice and Financial Reporting 2024-25 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the Material accounting policy information note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Material accounting policy information note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine 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 are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

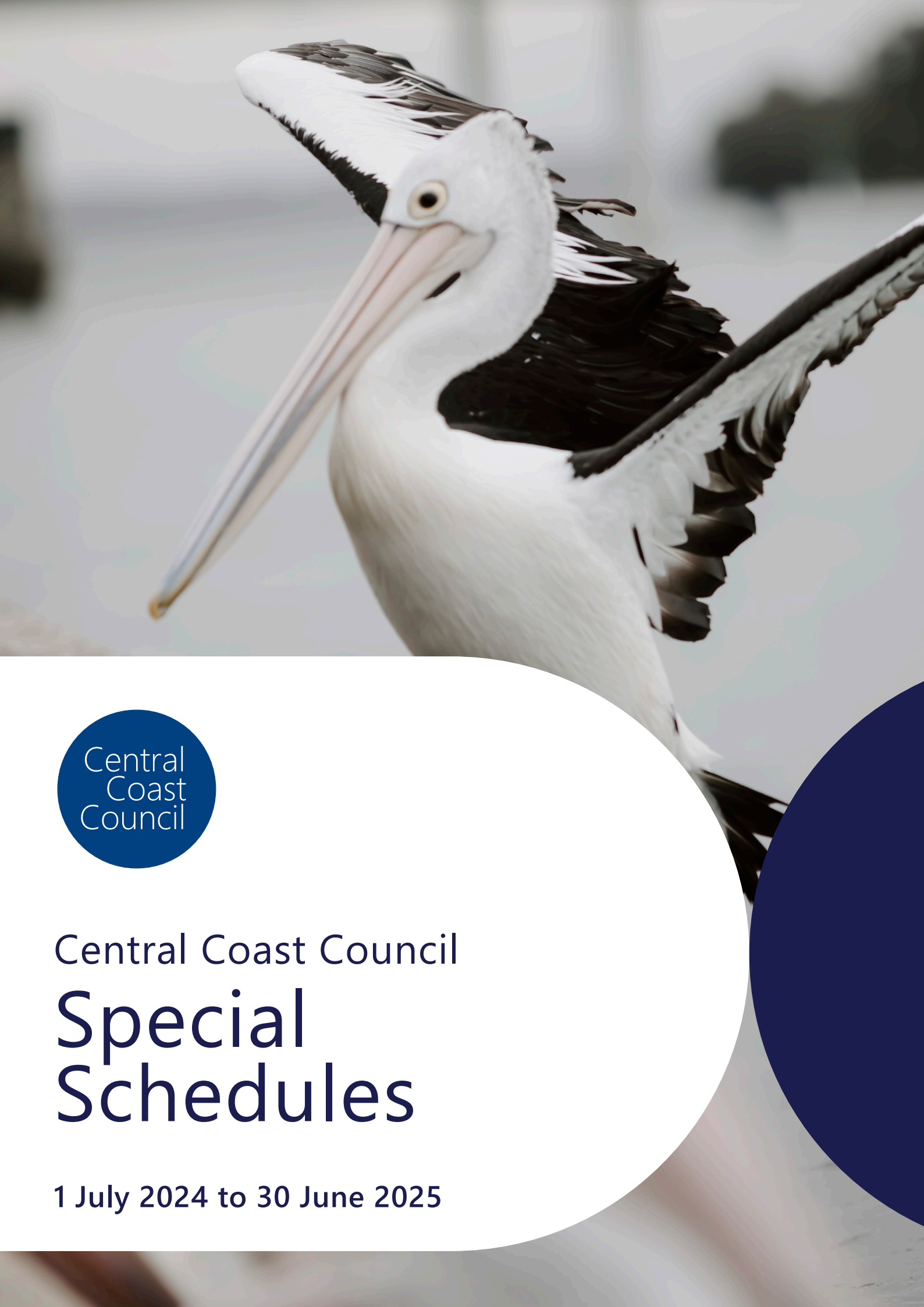
- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'C. Karakatsanis', with a stylized, cursive script.

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

23 October 2025

SYDNEY



Central Coast Council

Special Schedules

1 July 2024 to 30 June 2025

Central Coast Council

Special Schedules

for the year ended 30 June 2025

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2025	5

Central Coast Council

Permissible income for general rates

\$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation ¹			
Last year notional general income yield	a	212,705	225,232
Plus or minus adjustments ²	b	1,360	668
Notional general income	$c = a + b$	214,065	225,900
Permissible income calculation			
Rate peg percentage	d	4.80%	4.30%
plus rate peg amount ³	$f = d \times (c + e)$	10,275	9,714
Sub-total	$g = (c + e + f)$	224,340	235,614
Plus (or minus) last year's carry forward total	h	894	2
Sub-total	$j = (h + i)$	894	2
Total permissible income	$k = g + j$	225,234	235,616
Less notional general income yield	l	225,232	235,615
Catch-up or (excess) result	$m = k - l$	2	1
Carry forward to next year ⁴	$p = m + n + o$	2	1

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (4) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Central Coast Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring assets to agreed level of service set by Council	2024/25 Required maintenance ^a	2024/25 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	13,978	13,978	21,327	17,627	592,143	1,050,793	20.5%	47.0%	25.2%	7.1%	0.2%
	Sub-total	13,978	13,978	21,327	17,627	592,143	1,050,793	20.5%	47.0%	25.2%	7.1%	0.2%
Other structures	Other structures	174	174	205	—	11,180	15,863	36.5%	36.8%	20.8%	5.7%	0.2%
	Sub-total	174	174	205	—	11,180	15,863	36.5%	36.8%	20.8%	5.7%	0.2%
Roads	Roads	30,641	30,641	21,047	15,674	2,472,662	3,640,190	38.8%	40.2%	16.7%	4.1%	0.2%
	Bridges	1,589	1,589	1,770	888	71,942	119,424	20.5%	47.0%	25.2%	7.1%	0.2%
	Footpaths	1,864	1,864	6,054	4,508	300,435	534,560	14.0%	39.2%	45.1%	1.5%	0.2%
	Other road assets including bulk earthworks	—	—	—	—	504,694	504,694	0.0%	0.0%	100.0%	0.0%	0.0%
	Sub-total	34,094	34,094	28,871	21,070	3,349,733	4,798,868	31.5%	36.0%	28.8%	3.5%	0.2%
Water supply network	Water supply network	41,257	41,257	52,530	25,622	1,440,519	2,785,833	18.4%	36.8%	37.4%	6.9%	0.5%
	Sub-total	41,257	41,257	52,530	25,622	1,440,519	2,785,833	18.4%	36.8%	37.4%	6.9%	0.5%
Sewerage network	Sewerage network	45,644	45,644	21,283	30,365	1,660,889	2,956,418	14.7%	65.4%	13.1%	6.0%	0.8%
	Sub-total	45,644	45,644	21,283	30,365	1,660,889	2,956,418	14.7%	65.4%	13.1%	6.0%	0.8%
Stormwater drainage	Stormwater drainage	4,736	4,736	9,491	6,362	1,206,650	1,903,614	19.7%	35.7%	43.2%	1.4%	0.0%
	Sub-total	4,736	4,736	9,491	6,362	1,206,650	1,903,614	19.7%	35.7%	43.2%	1.4%	0.0%
Open space / recreational assets	Swimming pools	39	39	332	214	7,065	11,206	4.3%	93.2%	0.5%	2.0%	0.0%
	Open Space/Recreational Assets	5,271	5,271	4,190	10,347	180,506	289,303	26.9%	50.5%	15.2%	6.2%	1.2%
	Sub-total	5,310	5,310	4,522	10,561	187,571	300,509	26.1%	52.1%	14.7%	6.0%	1.1%
Other infrastructure assets	Other	427	427	759	214	32,856	51,112	9.5%	73.9%	13.9%	1.8%	0.9%
	Sub-total	427	427	759	214	32,856	51,112	9.5%	73.9%	13.9%	1.8%	0.9%
Total – all assets		145,620	145,620	138,988	111,821	8,481,541	13,863,010	22.6%	43.7%	28.5%	4.7%	0.5%

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

Central Coast Council

Report on infrastructure assets as at 30 June 2025 (continued)

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Central Coast Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2025	Indicator 2025	Indicator 2024	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	226,885	119.18%	96.06%	> 100.00%
Depreciation, amortisation and impairment	190,371			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	145,620	1.64%	2.04%	< 2.00%
Net carrying amount of infrastructure assets	8,872,931			
Asset maintenance ratio				
Actual asset maintenance	111,821	80.45%	53.81%	> 100.00%
Required asset maintenance	138,988			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	145,620	1.05%	1.32%	
Gross replacement cost	13,863,010			

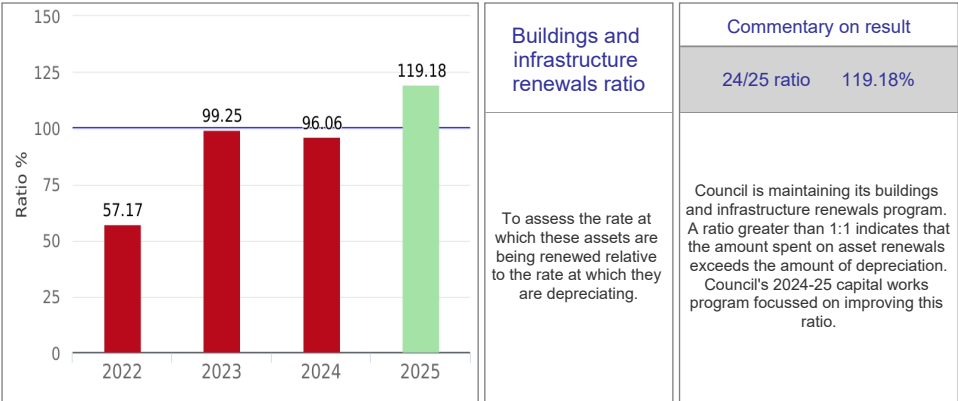
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Central Coast Council

Report on infrastructure assets as at 30 June 2025

Buildings and infrastructure renewals ratio



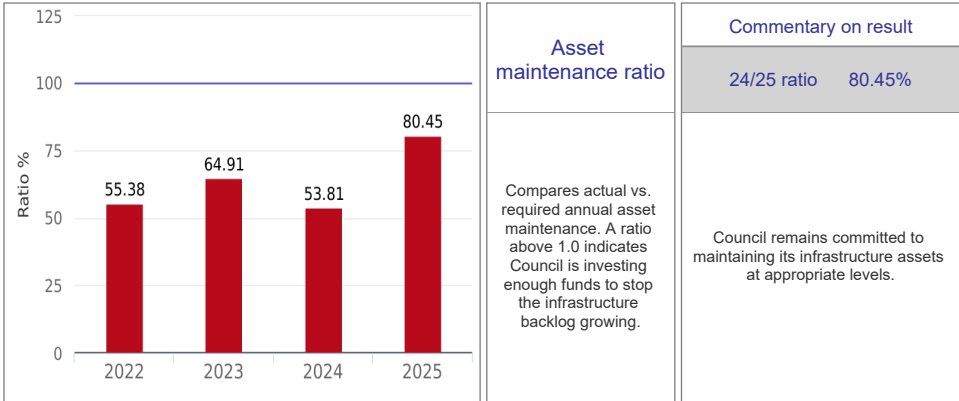
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



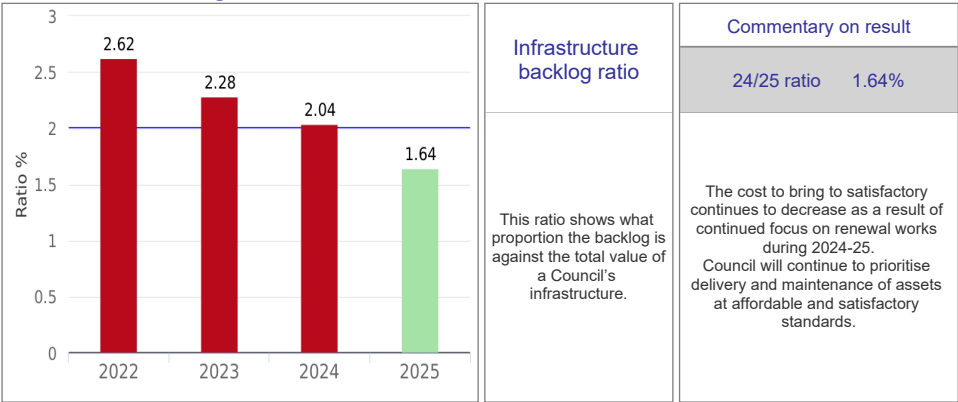
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



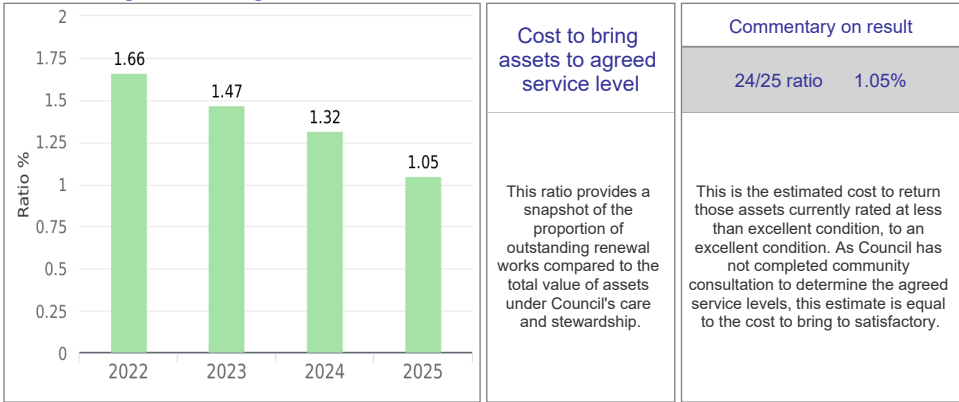
Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Central Coast Council

Report on infrastructure assets as at 30 June 2025

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2025	2024	2025	2024	2025	2024	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	114.70%	103.63%	109.67%	67.19%	137.57%	104.73%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	1.05%	1.66%	2.69%	3.07%	2.58%	2.17%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	85.67%	45.15%	48.78%	38.47%	142.67%	118.20%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.73%	1.18%	1.46%	1.68%	1.52%	1.28%	

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Central Coast Council

To the Councillors of Central Coast Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Central Coast Council (the Council) for the year ending 30 June 2026.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2024–25 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2025 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2025.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'C. Karakatsanis', with a stylized, cursive script.

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

23 October 2024
SYDNEY