

HUNTER JOINT ORGANISATION

General purpose financial statements

for the year ended 30 June 2025

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The Hunter Joint Organisation is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

Hunter Joint Organisation
4 Sandringham Avenue
Thornton NSW 2322

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.hunterjo.nsw.gov.au.

HUNTER JOINT ORGANISATION

Statement by Members of the Board and Management

made pursuant to Section 413 (2c) of the *Local Government Act 1993 (NSW)*

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

- the *Local Government Act 1993 (NSW)* and the regulations made thereunder
- the Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly Hunter Joint Organisations’s operating result and financial position for the year
- accord with Hunter Joint Organisation’s accounting and other records.

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

Signed in accordance with a resolution of the Board of Hunter Joint Organisation made on 16 October 2025.



Sue Moore

Chairperson


Date: 16 October 2025



Leah Anderson

Deputy Chairperson

Date: 16 October 2025



Stephen Wilson

Executive Officer

Date: 16 October 2025

HUNTER JOINT ORGANISATION

Statement of Income and Accumulated Surplus for the year ended 30 June 2025

		2025	2024
	Notes	\$'000	\$'000
Income			
Member council contributions	B1-1	925	588
Grants provided for operating purposes	B1-2	2,950	2,223
Other Income	B1-3	90	480
Total Income		3,965	3,291
Expenses			
Employee benefits and on-costs	B2-1	1,519	355
Administrative expenses	B2-2	679	275
Depreciation		16	13
Project Expenses	B2-3	1,127	2,637
Other Expenses		-	6
Total expenses		3,341	3,286
Net result for the year		624	5
Accumulated surplus at 1 July		(163)	(168)
Accumulated surplus as at 30 June		461	(163)

The above Statement of Income and Accumulated Surplus should be read in conjunction with the accompanying notes

HUNTER JOINT ORGANISATION

Statement of Financial Position as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
ASSETS			
Current Assets			
Cash and Cash equivalents	C1-1	937	28
Receivables		45	2
Financial assets at a mortised cost	E1-2	56	-
Other		-	5
Total Current Assets		1,038	35
Non-Current Assets			
Property, plant and equipment		49	19
Total Non-Current Assets		49	19
Total Assets		1,087	54
LIABILITIES			
Current Liabilities			
Payables	C2-1	149	86
Contract liabilities	C2-2	231	-
Borrowings	C2-3	4	-
Employee benefit provisions	C2-4	164	-
Total Current Liabilities		548	86
Non-Current Liabilities			
Borrowings	C2-3	-	131
Employee benefit provisions	C2-4	78	-
Total Non-Current Liabilities		78	131
Total Liabilities		626	217
Net Assets		461	(163)
EQUITY			
Accumulated Surplus		461	(163)
Total Equity		461	(163)

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

HUNTER JOINT ORGANISATION

Statement of Cash Flows for the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Receipts:		
Contributions from member councils	1,057	1,036
Grants	3,164	2,956
Other Income	37	341
Payments:		
Employee costs	(1,031)	(355)
Suppliers	(344)	(500)
Project related costs	(1,955)	(3,499)
Net cash from operating activities	928	(21)
Cash flows from investing activities		
Receipts:		
Proceeds from sale of property, plant and equipment	28	31
Payments:		
Payments for property, plant and equipment	(47)	-
Net cash flows from investing activities	(19)	31
Cash flows from financing activities		
Net cash flows from financing activities	-	-
Net change in cash and cash equivalents	909	10
Cash and cash equivalents at beginning of year	28	18
Cash and cash equivalents at end of year	937	28

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

HUNTER JOINT ORGANISATION

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A. About the Joint Organisation and these financial statements

A1. Basis of preparation

These financial statements were authorised for issue by the Board of Hunter Joint Organisation (the “JO”) on 16 October 2025. The Board has the power to amend and reissue these financial statements.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Local Government Act 1993 (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. The JO is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

a. 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 the JO’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 the JO and that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions

The JO 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:

- employee benefit provisions - refer Note C2-4
- expected credit loss for debtors – refer Note C1-2
- contract liabilities – performance obligations – refer Note C2-2

Going concern

In preparing these financial statements, management have made an assessment of the ability of the JO to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business.

As at 30 June 2025, the JO has a net asset of \$461,000. However, the financial statements have been prepared under the assumption of a going concern basis.

Management are of the opinion the JO will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements after consideration of the following factors:

- **Net Profit:** the JO has recognised a net profit of \$624,000 for the year ended 30 June 2025.
- **Cash balances and cash flows:** For the year ended 30 June 2025, the JO generated positive operating cashflows of \$928,000 and as at 30 June 2025, Cash on hand was \$937,000. This will provide sufficient funding for continued operations.
- **Budget and Cash Flow forecasts:** The Joint Organisation’s budgeted revenue, expenditure and cash flow forecast for the 2025-26 financial year was approved by the board on 12 June 2025. Based on the budget, the Directors have assessed that the JO will have sufficient cash available to pay its debts as and when they fall due for at least the next 12 months following the signing of the audit opinion.

B. Financial performance

B1. Sources of income

B1-1 Member Council contributions

	2025	2024
	\$'000	\$'000
Cessnock City Council	87	51
Dungog Shire Council	47	31
Lake Macquarie City Council	147	108
Maitland City Council	102	67
Midcoast Council	104	68
Newcastle City Council	143	105
Muswellbrook Shire Council	54	35
Port Stephens Council	90	54
Singleton Council	62	37
Upper Hunter Shire Council	53	32
Central Coast Council	36	-
Total member council contributions	925	588

Material accounting policy information

Contributions by member councils are recognised as revenue at the point in time when the amount to be paid for the period has been determined and communicated to councils. The contribution may be in the form of a cash payment or non-monetary contribution (which is recorded at its fair value).

The methodology for determining the contribution is:

- equal contributions by all member councils in order to perform the principal functions of delivering on strategic regional priorities, regional leadership and intergovernmental cooperation.
- contributions by participating member councils for other functions of enhancing strategic capacity and direct service delivery.

B1-2 Grants

	Operating 2025 \$'000	Operating 2024 \$'000
Regional Illegal Dumping Program	718	578
Waste Action, Recycle	842	340
Hunter Tourism	-	177
Airport	-	100
Circular Economy	556	433
Net Zero	428	236
Disaster preparedness	192	359
Other	214	-
Total grants	2,950	2,223
Comprising:		
State funding	2,950	2,223
	2,950	2,223
Timing of revenue recognition		
Grants recognised over time	2,034	-
Grants recognised at a point in time	916	2,223
Total grants	2,950	2,223

Material accounting policy information**Grants - enforceable agreement with sufficiently specific performance obligations**

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

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.

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

B1-3 Other income

	2025	2024
	\$'000	\$'000
Project Contributions (related party - refer Note E1-2)	58	352
Gain on disposal of property, plant and equipment	13	0
Other Income	19	128
Total other income	90	480

Material accounting policy information

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

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.

Refer to Note E1-2 for further details on Project Contribution income received from related parties.

B2. Costs of providing services**B2-1 Employee Benefits and Oncosts**

	2025	2024
	\$'000	\$'000
Wages & Salaries	1,252	317
Superannuation	143	29
Other	124	9
Total employee benefits and oncosts	1,519	355

B2-2 Administrative Expenses

	2025	2024
	\$'000	\$'000
Finance & Administrative Services	483	168
Remuneration of Auditors (refer Note E2-1)	30	29
IT Expenses	38	17
Motor Vehicle Expenses	42	11
Office Space rent & outgoings	28	15
Insurance	8	10
Other	50	25
Total Administrative Expenses	679	275

B2-3 Project expenses

	2025	2024
	\$'000	\$'000
Project funding disbursement	463	2,420
Professional fees - grant projects	622	-
RRPD funding	-	217
Other project expenses	42	-
Total Project Expenses	1,127	2,637

Material accounting policy information**Project expenses**

Project expenses are recorded on an accrual basis as the JO receives the goods and services.

C. Financial position

C1. Assets we manage

C1-1 Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash at bank and on hand	937	28
Deposits at call	-	-
	937	28
Restricted cash and cash equivalents		
Restricted cash comprises of the following sources for the purpose of managing grants:		
NSW Environment Protection Authority	545	-
NSW Reconstruction Authority	88	-
NSW DCEWW	36	-
Other	137	-
	806	-

C2. Liabilities of the Joint Organisation**C2-1 Payables**

	2025	2024
	\$'000	\$'000
Trade Payables	50	61
Accrued salaries and wages	49	-
Other Payables	50	25
Total payables	149	86

C2-2 Contract liabilities

	2025	2024
	\$'000	\$'000
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15	212	-
Income earned in advance	18	-
Total contract liabilities	230	-

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

Material accounting policy information

When an amount of consideration is received from a customer / fund provider prior to HJO transferring a good or service to the customer, the JO presents the funds which exceed revenue recognised as a contract liability.

C2-3 Borrowings

		2025	2024
		\$'000	\$'000
Borrowings			
Loan - Arrow Collaborative Services (related party)	E1-2	-	131
Credit Cards		<u>4</u>	-
Total borrowings		<u>4</u>	<u>131</u>
Financial Arrangements			
Total facilities			
Total financing facilities available to the JO at the reporting date are:			
Corporate credit cards		<u>15</u>	-
		<u>15</u>	-
Drawn Facilities			
Financing facilities drawn down at the reporting date are:			
Corporate credit cards		<u>4</u>	-
		<u>4</u>	-
Undrawn Facilities			
Undrawn financing facilities available to the JO at the reporting date are:			
Corporate credit cards		<u>11</u>	-
		<u>11</u>	-

Material accounting policy information

HJO 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.

C2-4 Employee benefits

	2025		2024	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Annual leave	75	-	-	-
Long-service leave	87	78	-	-
RDO Leave	2	-	-	-
Total employee benefit provisions	164	78	-	-

Material accounting policy information*Short-term obligations*

Liabilities for wages and salaries (including non-monetary benefits and annual 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 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 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 that will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the JO 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.

D. Risks and accounting uncertainties

D1. Financial risk management

Risk management

The JO activities expose it to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk. Financial risk management is carried out by the finance team under policies approved by the JO Board.

The fair value of receivables, investments and financial liabilities approximates the carrying amount.

D2. Contingencies

There are no contingent assets or contingent liabilities as at 30 June 2025.

E. People and relationships

E1. Related party disclosures

E1-1 Key management personnel

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

The aggregate amount of KMP compensation included in employee expenses is \$244,215 (2024: \$137,895)

E1-2 Other related parties

Type of related party:	Nature of transactions	Transactions during the year	Outstanding balances	Terms and Conditions
		\$'000	\$'000	
2025				
Arrow Collaborative Services	Related party receivable as at 30/6/25		56	n/a
Local government owned entity	Corporate overhead and admin fees paid	447		Net 30 days
	Fees received for usage of motor vehicle	4		Net 30 days
Hunter Councils Incorporated	Rent paid	28		Net 30 days
Local government owned entity	Fees received for repairs and maintenance	2		
Hunter Councils Legal Services	Legal fees paid	4		Net 30 days
Lake Macquarie City Council	Subscriptions	152		Net 30 days
	Project Funding	86		Net 30 days
Newcastle City Council	Subscriptions	146		Net 30 days
	Project Funding	21		Net 30 days
Port Stephens Council	Subscriptions	93		Net 30 days
	Project Funding	19		Net 30 days
Mid Coast Council	Subscriptions	108		Net 30 days
	Project Funding	53		Net 30 days
Upper Hunter Shire Council	Subscriptions	56		Net 30 days
	Project Funding	10		Net 30 days
Singleton Council	Subscriptions	66		Net 30 days
	Project Funding	19		Net 30 days
Dungog Shire Council	Subscriptions	49		Net 30 days
	Project Funding	13		Net 30 days
Muswellbrook Shire Council	Subscriptions	56		Net 30 days
	Project Funding	16		Net 30 days
Cessnock City Council	Subscriptions	90		Net 30 days
	Project Funding	101		Net 30 days
Maitland City Council	Subscriptions	106		Net 30 days
	Project Funding	86		Net 30 days
Central Coast Council	Subscriptions	36		Net 30 days
	Project Funding	58		Net 30 days

Type of related party:	Nature of transactions	Transactions during	Outstanding	Terms and
		the year	balances	Conditions
		\$'000	\$'000	\$'000
2024				
Arrow Collaborative Services	Loan from Arrow - balance as at 30/6/24		131	n/a
Local government owned entity	Rent and Admin fees paid	206		Net 30 days
	Grant Funds obtained and transferred to related party to undertake grant functions	2,813		n/a
	Admin fees received	133		Net 30 days
	Professional fees paid	218		
	Project Contributions received	150		Net 30 days
Hunter Councils Incorporated	Rent paid	15		Net 30 days
Local government owned entity				
Lake Macquarie City Council	Subscriptions	108		Net 30 days
	Project Funding	39		Net 30 days
Newcastle City Council	Subscriptions	105		Net 30 days
	Project Funding	34		Net 30 days
Port Stephens Council	Subscriptions	54		Net 30 days
	Project Funding	36		Net 30 days
Mid Coast Council	Subscriptions	68		Net 30 days
	Project Funding	57		Net 30 days
Upper Hunter Shire Council	Subscriptions	32		Net 30 days
	Project Funding	35		Net 30 days
Singleton Council	Subscriptions	37		Net 30 days
	Project Funding	23		Net 30 days
Dungog Shire Council	Subscriptions	31		Net 30 days
	Project Funding	16		Net 30 days
Muswellbrook Shire Council	Subscriptions	35		Net 30 days
	Project Funding	35		Net 30 days
Cessnock City Council	Subscriptions	51		Net 30 days
	Project Funding	34		Net 30 days
Maitland City Council	Subscriptions	67		Net 30 days
	Project Funding	50		Net 30 days

E2. Other relationships

E2-1 Audit fees

	2025	2024
	\$'000	\$'000
Auditors of the JO - NSW Auditor-General		
Audit of financial statements	30	29
Total fees paid or payable to the Auditor- General	30	29

F. Other matters

F1. Commitments

There are no commitments at reporting date.

F2. Events occurring after reporting date

There are no events occurring after reporting date.

End of the audited financial statements