

HUNTER JOINT ORGANISATION

General purpose financial

statements for the year

ended 30 June 2026

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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.hunterio.nsw.gov.au.

HUNTER JOINT ORGANISATION

Statement by Members of the Board 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:

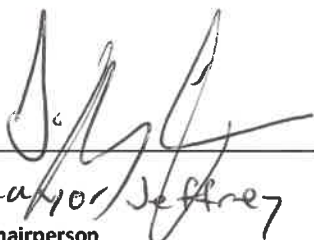
- the *Local Government Act 1993* (NSW) and the regulations made thereunder
- the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly Hunter Joint Organisation'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 15th October 2026.


Mayor Jeffrey Drayton
Chairperson
15/10/2026


Mayor Leah Anderson
Deputy Chairperson
15/10/2026


Steve Wilson
Executive Officer
15/10/2026

HUNTER JOINT ORGANISATION

Statement of Income and Accumulated Surplus

for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000
Income			
Member council contributions	B1-1	924	925
Grants provided for operating purposes	B1-2	1,741	2,950
Other income	B1-3	329	90
Total income		2,994	3,965
Expenses			
Employee benefits and on-costs		1,581	1,519
Administrative expenses	B2-1	487	679
Depreciation	C1-4	27	16
Project expenses	B2-2	851	1,127
Total expenses		2,946	3,341
Net result for the year		48	624
Accumulated surplus at 1 July		461	(163)
Accumulated surplus as at 30 June		509	461

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 2026

	Notes	2026 \$'000	2025 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	C1-1	339	937
Receivables		28	101
Financial assets at amortised cost	C1-2	700	0
Contract assets and Contract cost assets	C1-3	70	0
Total Current Assets		1,137	1,038
Non-Current Assets			
Property, plant and equipment	C1-4	73	49
Total Non-Current Assets		73	49
Total Assets		1,210	1,087
LIABILITIES			
Current Liabilities			
Payables	C2-1	204	149
Contract liabilities	C2-2	206	231
Borrowings		4	4
Employee benefit provisions	C2-3	225	164
Total Current Liabilities		639	548
Non-Current Liabilities			
Employee benefit provisions	C2-3	62	78
Total Non-Current Liabilities		62	78
Total Liabilities		701	626
Net Assets		509	461
EQUITY			
Accumulated Surplus		509	461
Total Equity		509	461

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 2026

	Notes	2026 \$'000	2025 \$'000
Cash flows used from operating activities			
Receipts:			
Contributions from member councils		1,087	1,057
Grants		1,813	3,164
Other income		81	37
Payments:			
Employee		(1,205)	(1,031)
Non-employee cash outflows		(1,692)	(2,299)
Net cash flows from operating activities		84	928
Cash flows from investing activities			
Receipts:			
Proceeds from sale of property, plant and equipment		25	28
Repayment of loan by a related party		56	0
Payments:			
Payments for property, plant and equipment		(63)	(47)
Acquisition of financial assets		(700)	0
Net cash flows used in investing activities		(682)	(19)
Cash flows from financing activities			
Payments:			
Net cash flows from financing activities		0	0
Net change in cash and cash equivalents		(598)	909
Cash and cash equivalents at beginning of year		937	28
Cash and cash equivalents at end of year	C1-1	339	937

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 15 October 2026. 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. New and amended standards adopted by JO

There were no new standards relevant to the JO that became mandatorily effective for the year ended 30 June 2026.

b. Historical cost convention

These financial statements have been prepared under the historical cost convention.

c. 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 C2-3
- contract liabilities - performance obligations – refer Note C2-2

Going concern

In preparing these financial statements, management or the board 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 2026, the JO has a net asset of \$508,887. However, the financial statements have been prepared under the assumption of a going concern basis.

Management and the Board are of the opinion that 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 \$48,749 for the year ended 30 June 2026.
- **Cash balances and cash flows:** For the year ended 30 June 2026, the JO generated positive operating cashflows of \$84,000 and as at 30 June 2026, Cash on Hand was \$339,000. 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 2026-27 financial year was approved by the board on 11 June 2026. 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

	2026 \$'000	2025 \$'000
Cessnock City Council	93	87
Dungog Shire Council	51	47
Macquarie City Council	124	147
Maitland City Council	110	102
Midcoast Council	111	104
Newcastle City Council	120	143
Muswellbrook Shire Council	61	54
Port Stephens Council	97	90
Singleton Council	66	62
Upper Hunter Shire Council	55	53
Central Coast Council	36	36
Total member council contributions	924	925

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 2026 \$'000	Operating 2025 \$'000
Regional Illegal Dumping Program	734	718
Waste Action, Recycle	247	842
Circular Economy	53	556
Net Zero	333	428
Disaster preparedness	213	192
Other	161	214
Total grants	1,741	2,950
Comprising:		
State funding	1,741	2,950
	1,741	2,950
Timing of revenue recognition		
Grants recognised over time	197	2,034
Grants recognised at a point in time	1,544	916
Total grants	1,741	2,950

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 obligation is transferred.

The performance obligations vary according to the agreement with only one grant includes specific performance obligations like funding not being released until milestone reports are complete and future payments contingent upon completion of specific deliverables. Enforceable funding repayments and termination rights exist in specific clauses in the funding deed.

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.

Other grants

Assets (e.g. cash) received from other grants are recognised at fair value when the asset is received. The JO 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. 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.

B1-3 Other income

	2026	2025
	\$'000	\$'000
Project contributions (related party - refer Note E1-2)	0	58
Gain on disposal of property, plant and equipment	39	13
Trainee incentives	165	0
Paid parental leave received	19	0
Other income	106	19
Total other income	329	90

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.

B2-1 Administrative Expenses

	2026	2025
	\$'000	\$'000
Finance and administrative services	275	483
Remuneration of Auditor	31	30
IT expenses	39	38
Motor Vehicle expenses	50	42
Office Space rent and outgoings	29	28
Insurance	6	8
Other	31	50
Subscriptions	15	0
Telephone and internet	11	0
Total administrative expenses	487	679

B2-2 Project expenses

	2026	2025
	\$'000	\$'000
Project funding disbursement	376	463
Professional fees - grant projects	371	622
Other project expenses	104	42
Total project expenses	851	1,127

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

	2026	2025
	\$'000	\$'000
Cash at bank and on hand	239	937
Term Deposits	100	0
	339	937

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	339	937
Balance as per Statement of Cash Flows	339	937

Financial Assets

Term Deposits	700	0
	700	0

Restricted cash and cash equivalents

Restricted cash comprises of the following sources for the purpose of managing grants:

NSW Environmental Protection Authority	259	545
NSW Reconstruction Authority	42	88
NSW DCCEEW	130	36
NSW Government - Energy, Climate, Change & Sustainability	164	0
Other	170	137
	765	806

C1-2 Investments

	2026	2025
	\$'000	\$'000
Term Deposits	<u>700</u>	<u>0</u>
Total	<u>700</u>	<u>0</u>

C1-3 Contract assets and Contract cost assets

	2026	2025
	\$'000	\$'000
Contract assets	<u>70</u>	<u>0</u>
Total	<u>70</u>	<u>0</u>

C. Financial Position

C1: Assets we manage

C1-4 Property, Plant & Equipment

	As at 1 July 2025			Movements During the Period			As at 30 June 2026		Net Carrying amount \$'000
	Gross carrying amount \$'000	Acc. Depn and Impairment \$'000	Net Carrying amount \$'000	Additions \$'000	Disposals \$'000	Depn and impairment \$'000	Gross carrying amount \$'000	Acc. Depn and Impairment \$'000	
Office Equipment	42	35	7	3	(20)	12	25	24	1
Vehicles	37	2	35	56	(37)	13	56	5	51
Computers	12	5	7	22	(3)	7	30	9	21
Totals	91	42	49	81	(61)	32	111	38	73

C2. Liabilities of the Joint Organisation

C2-1 Payables

	2026	2025
	\$'000	\$'000
Trade Payables	164	50
Accrued Expenses	4	49
Other Payables	36	50
Total payables	204	149

Material accounting policy information

The JO measures all financial liabilities at fair value.

Trade payables represent liabilities for goods and services provided to the JO prior to the end of financial period that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

C2-2 Contract liabilities

	2026 \$'000	2025 \$'000
Funds received prior to performance obligation being satisfied (upfront payments)		
- AASB 15	206	212
Income earned in advance	0	18
Total contract liabilities	206	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 Employee benefits

	2026		2025	
	Current	Non-current	Current	Non-current
	\$'000	\$'000	\$'000	\$'000
Annual leave	82	-	75	
Long-service leave	142	62	87	78
RDO	1		2	
Total employee benefit provisions	225	62	164	78

Material accounting policy information**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.

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 2026.

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 in employee expenses is \$267,693
(2025 \$244,215)

E1-2 Other related parties

Type of related party:	Nature of transactions	Transactions during the year \$'000	Outstanding balances \$'000	Terms and Conditions
2026				
Arrow Collaborative Services	Loan to Arrow - balance as at 30/6/26	56	-	n/a
Local government owned entity (Arrow)	Corporate overheads and admin fees paid	254		Net 30 days
Hunter Councils Incorporated	Rent paid	29		Net 30 days
Hunter Council Legal Services	Legal Fees paid	2		Net 30 days
Lake Macquarie City Council	Subscriptions	164		Net 30 days
	Project Funding	51		Net 30 days
Newcastle City Council	Subscriptions	159		Net 30 days
	Project Funding	19		Net 30 days
Port Stephens Council	Subscriptions	103		Net 30 days
	Project Funding	14		Net 30 days
Mid Coast Council	Subscriptions	112		Net 30 days
	Project Funding	17		Net 30 days
Upper Hunter Shire Council	Subscriptions	59		Net 30 days
	Project Funding	24		Net 30 days
Singleton Council	Subscriptions	71		Net 30 days
	Project Funding	20		Net 30 days
Dungog Shire Council	Subscriptions	53		Net 30 days
	Project Funding	8		Net 30 days
Muswellbrook Shire Council	Subscriptions	68		Net 30 days
	Project Funding	15		Net 30 days
Cessnock City Council	Subscriptions	98		Net 30 days
	Project Funding	51		Net 30 days
Maitland City Council	Subscriptions	116		Net 30 days
	Project Funding	53		Net 30 days
Central Coast Council	Subscriptions	37		Net 30 days
	Project Funding	70		Net 30 days

Hunter Joint Organisation | Statement of Income and Accumulated Surplus | For the year ended 30 June 2026

Type of related party:	Nature of transactions	Transactions during the year \$'000	Outstanding balances \$'000	Terms and Conditions \$'000
2025				
Arrow Collaborative Services	Loan to Arrow - balance as at 30/6/25		56	n/a
Local government owned entity	Corporate overheads 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		Net 30 days
Hunter Council 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

E2. Other relationships

E2-1 Audit fees

	2026 \$'000	2025 \$'000
Auditors of the JO - NSW Auditor-General		
Audit of financial statements	31	30
Total fees paid or payable to the Auditor- General	31	30

D. 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