

Annual Report 2025/26

Version 1.0

25/09/2026

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Acknowledgement of Country

We acknowledge all the aboriginal nations and their Elders whose lands lie within the Mount Barker district and respect their spiritual relationship with their Country, and also acknowledge and thank them for their custodianship of the lands and waters of the region.



"Tear Drops" by Quentin Gore, Laratinga Wetland

Contents

Acknowledgement of Country	2
About GMB Water	6
Vision	7
Structure	7
Services	7
Objectives and Purpose	7
Customers	8
Assets (as at 1 July 2026)	8
Board Members	9
Audit and Risk Committee Members	9
Year in Review	10
Highlights	10
Achievements Against Annual Business Plan 2025-2026 Key Annual Objectives	15
Performance Against Annual Business Plan 2025-2026 Key Performance Measures	19
Regulatory Performance	20
Customer Requests Summary	21
Complaints	22
Leadership and Governance	23
Fraud	24
Public Interest Disclosure	24
Assurance and Risk Management	24
Competitive Neutrality	24
Significant Business Activities	25
Corporatisation	25
Cost Reflective Pricing	25
Complaints	25
Governance	26
Board Member Meeting Attendance	26
Directors' interests and benefits	26
Audit and Risk Committee Member Meeting Attendance	26
Organisation Structure	27
Appendices	28
Audited Financial Statements	29
Audit and Risk Management Committee Annual Report	62

Cover photo: Recycled Water lagoon at Meadows Wastewater Treatment Plant

Message from the GMB Water Chair, Mark Gobbie



It is my pleasure to present the 2025-2026 Annual Report for GMB Water. This report reflects the organisations first year of operation, a year of achievements and service delivery for the benefit of our customers and the community we serve.

As a local government essential service provider GMB Water plays a vital role in supporting the Mount Barker District Council in the delivery of its Community Plan and Vision for the district. GMB Water also plays a key role in delivering the infrastructure required to support achievement of the state government housing roadmap.

The focus for this year has been to fully establish GMB Water as a standalone organisation., This included establishing our regulatory licencing frameworks, installing appropriate governance and risk frameworks and completing the recruitment of staff required to run the business efficiently and effectively.

Throughout the year several major milestones were reached with the completion of two more trunk sewers and the commencement of the Eastern Stage 2 Trunk Sewer Main Project. This project sees us constructing the last 2km (10km in total) of trunk sewer, to enhance system reliability and support growth in the district.. In addition to this trunk sewer program, we also commenced the construction of the Laratinga Water Recovery Plant, on Springs Road in Mount Barker, a major project that the organisation has been planning and procuring for many years.

From a governance perspective, the Audit and Risk Management Committee (ARMC) was established . The ARMC is chaired by Isabella Villani, who is also a Non-Executive Director of GMB Water. The ARMC will support the Board to ensure strong governance is in place and working effectively for GMB Water.

Looking ahead, GMB Water remains committed to continuing to invest in intergenerational projects to support current and future residents in the region and delivering value to our customers and the community. Our priorities over the next year are continuing to build awareness of GMB Water and the benefits we provide, ensuring our services remain efficient

and affordable, and delivery of the ongoing capital works program in line with the long term financial plan.

I wish to thank my fellow Board Members and the Audit and Risk Management Committee Members for their commitment, contributions and collaborative governance throughout the year. I also extend my sincere thanks to the staff of GMB Water and our valued partners for their commitment, hard work, dedication, professionalism, and outstanding contribution to delivering essential services for the benefit of our customers, the economy, the community and the environment.

Lastly I would like to acknowledge the significant contribution of Mr Sean Keenihan and Mr John Comrie who concluded their tenures as Chair and Non-Executive Director respectively in late 2025. Both served on the Informal Advisory Wastewater Board and the inaugural GMB Water Board. The leadership and guidance they provided was invaluable in setting GMB Water up to be successful.

About GMB Water



Inlet pipework at Springs Road Wastewater Treatment Plant

Vision

“ Delivering sustainable water recovery services for the benefit of our economy, community and the environment

Structure

The Mount Barker Region Wastewater Utility, which trades as GMB Water, is a wholly owned, subsidiary of the Mount Barker District Council (the Council) established pursuant to Section 42 of the Local Government Act 1999 (SA). The Mount Barker Region Wastewater Utility Charter, which outlines the governance framework for the subsidiary, was gazetted in January 2025.

GMB Water is governed by a skills based Board appointed by the Council. The Charter defines the authority delegated to the Board, the process for appointing Board members, and the Board's reporting obligations to Council. GMB Water also has an Audit and Risk Management Committee, as required by the Charter, appointed by Council on recommendation of the Board.

Services

The services provided by GMB Water are:



NETWORK EXPANSION

Wastewater and recycled water infrastructure expansion to support growth in areas of service



WASTEWATER COLLECTION

Operation and maintenance of the wastewater - Community Wastewater Management System (CWMS) and sewer - collection systems to meet required levels of service



WASTEWATER TREATMENT

Operation and maintenance of the wastewater treatment plants and other associated infrastructure to meet required levels of service



DISPOSAL

Discharge of suitably treated effluent from the wastewater treatment plants and other associated infrastructure to the environment and to provide recycled water to connected customers and sites



NON-DRINKING WATER SUPPLY

Provision of non-drinking and bore water supply to a limited number of residential customers in Meadows and non-residential users around Mount Barker and out to Callington

Objectives and Purpose

The Mount Barker Region Wastewater Utility Charter, sets out the principal objectives and purpose of the Authority, namely to achieve the following:

- To provide a safe and reliable wastewater utility to protect public health
- To endeavour to provide a level of service to customers and the community that meets or exceeds their expectations



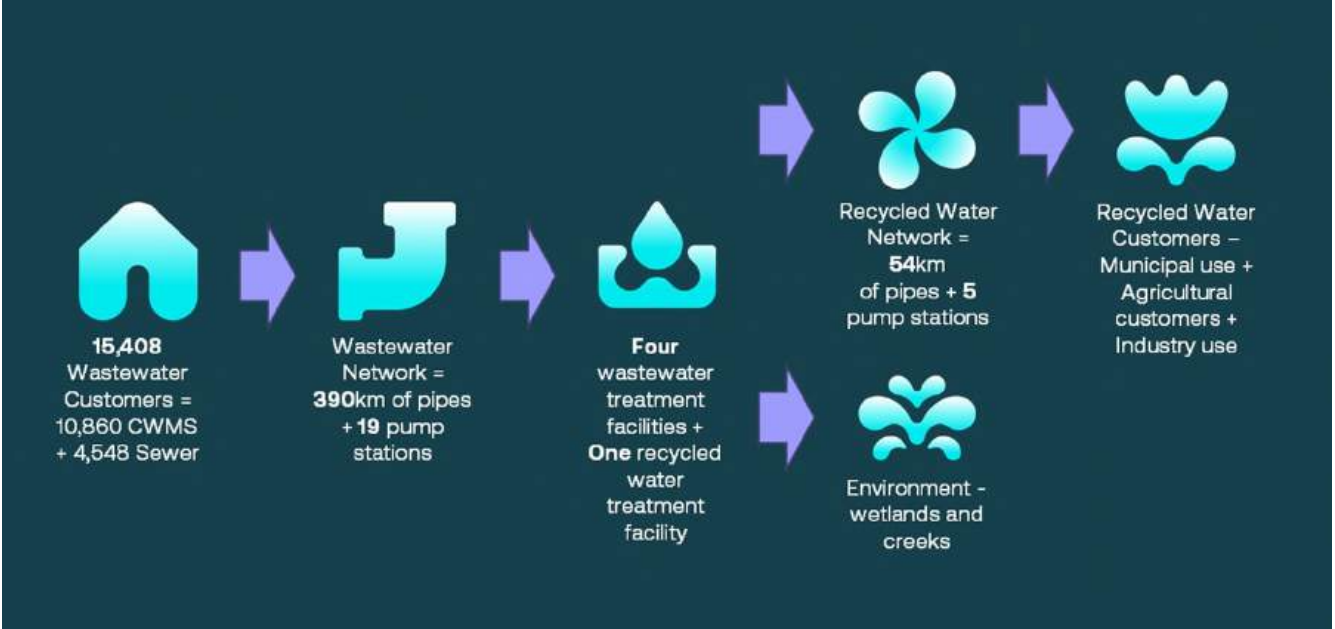
- To support and enable agriculture and economic growth in the wastewater utility area
- To safely and sustainably preserve and improve the environment by conducting operations in compliance with the principles of ecologically sustainable development
- To be socially responsible
- To manage revenue collected responsibly and fairly and with integrity to provide a defined service to the Council’s community
- To deliver results, focusing on safe and health workplaces, employee engagement, inclusion, innovation and accountability.

Customers

GMB Water provides essential wastewater services to properties in Mount Barker, Littlehampton, Nairne, Brukunga, Meadows, Macclesfield and Echunga. At 1 July 2026 GMB Water had:

	15,408 Wastewater Customers	10,860 Community Wastewater Management Systems (CWMS) + 4,548 Sewer
	267 Recycled Water Customers	14 non-residential + 253 residential in Meadows
	56 Bore Water Customers	

Assets (as at 1 July 2026)



Board Members



Mark Gobbie

Board Chair from 19 January 2026, previously Deputy Chair / Non-Executive Director



Sean Keenihan

Board Chair to 19 January 2026
Resigned 19 January 2026



Isabella Villani

Non-Executive Director
Deputy Chair since 4 March 2026



Susan Filby

Non-Executive Director



Carmine Ciccocioppo

Non-Executive Director



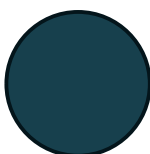
John Comrie

Non-Executive Director
Resigned 31 December 2025



Lionel Ho

Non-Executive Director from 1 January 2026



Vacancy

Vacant since 19 January 2026



Helen Edmonds

Executive Director

Ordinary meetings of the Board are held bi-monthly on the last Wednesday of the month.

Audit and Risk Committee Members



Isabella Villani

ARMC Chair



Susan Filby

ARMC Member



Brent Gimpel

ARMC Member



Mark Davies

ARMC Member



Patrick Trainor

ARMC Member



Davin Lambert

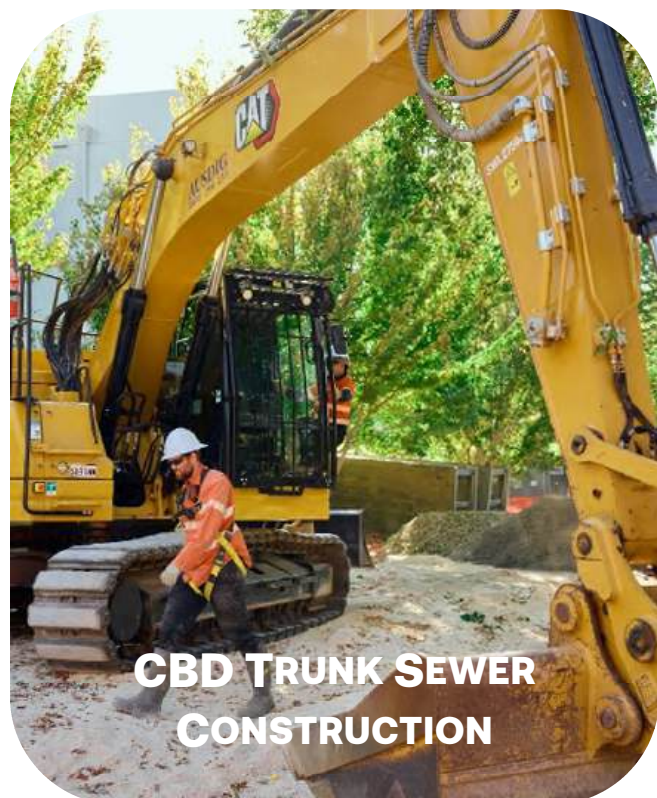
CEO, LGFA
Observer

The Audit and Risk Management Committee meet at least four times a year. All Audit and Risk Management Committee meetings are held via MS Teams.

Year in Review



Highlights



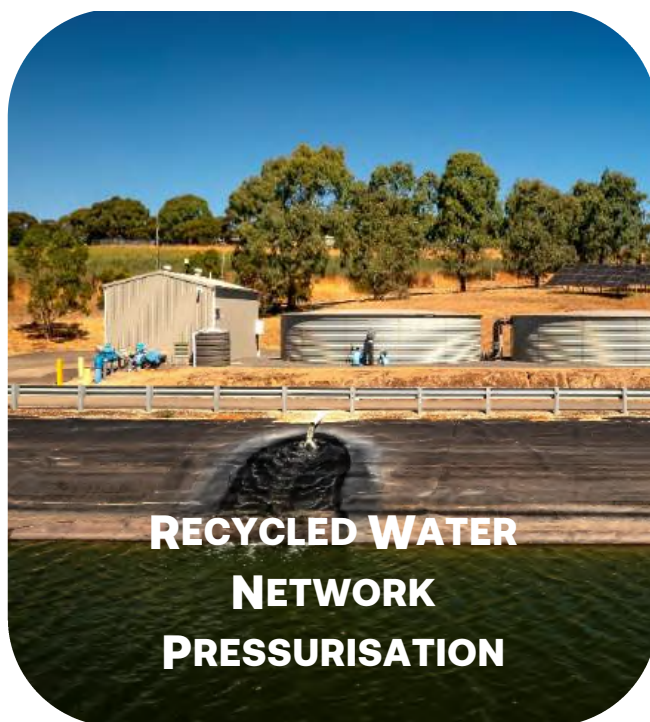
RECYCLED WATER NETWORK EXPANSION – MANDALAY HOUSE



CENTRAL TRUNK SEWER CONSTRUCTION

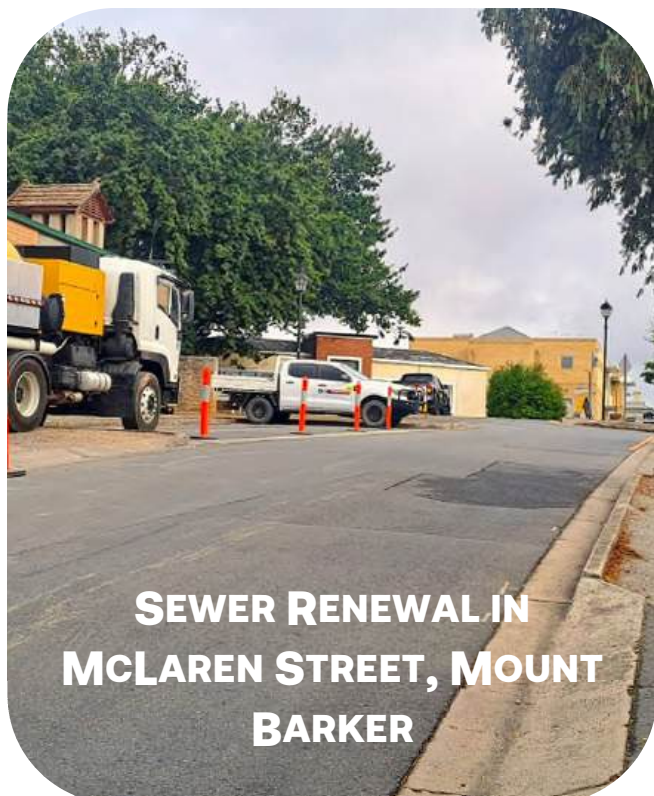


RECYCLED WATER NETWORK PRESSURISATION



HYDRAULIC MODEL OF ALL WASTEWATER SYSTEMS



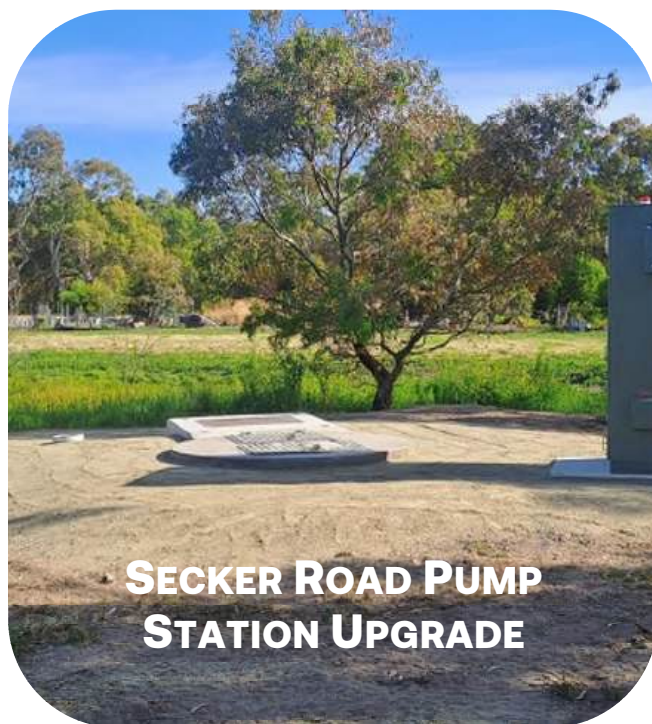




WELLINGTON ROAD EARLY WORKS



**SAFE, COMPLIANT AND
RELIABLE SERVICE
PROVISION**



**SECKER ROAD PUMP
STATION UPGRADE**



EASTERN STAGE 2 TRUNK SEWER CONSTRUCTION

Achievements Against Annual Business Plan 2025-2026 Key Annual Objectives

OBJECTIVE 1: Construction of a new compliant wastewater treatment facility by end of 2026 - 2027.

The new Laratinga Water Recovery Plant (LWRP) will replace the Springs Road Wastewater Treatment Plant (WWTP) with a modern treatment facility that has the capacity to cater for existing customers and future growth.

The LWRP will be based on an aerobic granular sludge (AGS) treatment process designed to achieve compliance with the conditions of EPA licence 52325 and all other legislative requirements. The LWRP will significantly improve the quality of the treated water discharged to the environment and will also have capacity for all treated water to be supplied to recycled water customers when demand matches supply.

The design and construct (D&C) contract for the LWRP was signed in early December 2025, with early works taking place from November 2025 and full site mobilisation from early January 2026. Commissioning of the LWRP is currently forecast for mid-2028.



Laratinga Water Recovery Plant Construction

OBJECTIVE 2: Expansion of recycled water infrastructure in the district.

GMB Water is expanding its recycled water networks to irrigate additional parks and reserves in the growth area of Mount Barker. This expansion is being undertaken in conjunction with works being undertaken by developers. The project also involves the continued investigation of, and investment in, other productive uses for recycled water to minimise disposal to the Mount Barker Creek and improve community outcomes aligned to the adopted recycled water strategy. In 2025/26 expansion continued in partnership with developers across the Mount Barker Ministerial Development Plan Area (MDPA).



Recycled Water in use at the SSRP

OBJECTIVE 3: Increase the capacity of the wastewater network in Mount Barker to support community growth.

The construction of five new or upgraded wastewater trunk sewers in the Mount Barker area is required so the collection network has the required capacity to cater for growth. The sewer trunk mains are required to enable the provision of an essential public health service and to satisfy legal obligations entered into with a number of developers in the Mount Barker growth area to supply development sites with a sewer service.

The Hampden Road Sewer Main and Pumpstation was completed in December 2023, which was the first to be delivered followed by the Nairne Stage One project, the Mount Barker CBD (practical completion achieved late 2025), and then the Central (practical completion achieved in June 2026) and Eastern Stage Two and Three which commenced February 2026.

OBJECTIVE 4: Construction of wastewater infrastructure without harm to the environment or the health and wellbeing of our community.

There were several minor environmental incidents as a result of capital projects during the year. There was one public safety incident as a result of the early works on Wellington Road for the new sewer to service the New Mount Barker Hospital. A pot hole at the junction of Wellington Road and the SteamRanger Heritage Railway line was created as result of temporary road fill being washed out by stormwater during a heavy rainfall event and a couple of drivers reported damage to their cars as a result. The issue was reported to GMB Water, and the contractor immediately attended the site to remediate the area and allow the road to be reopened.



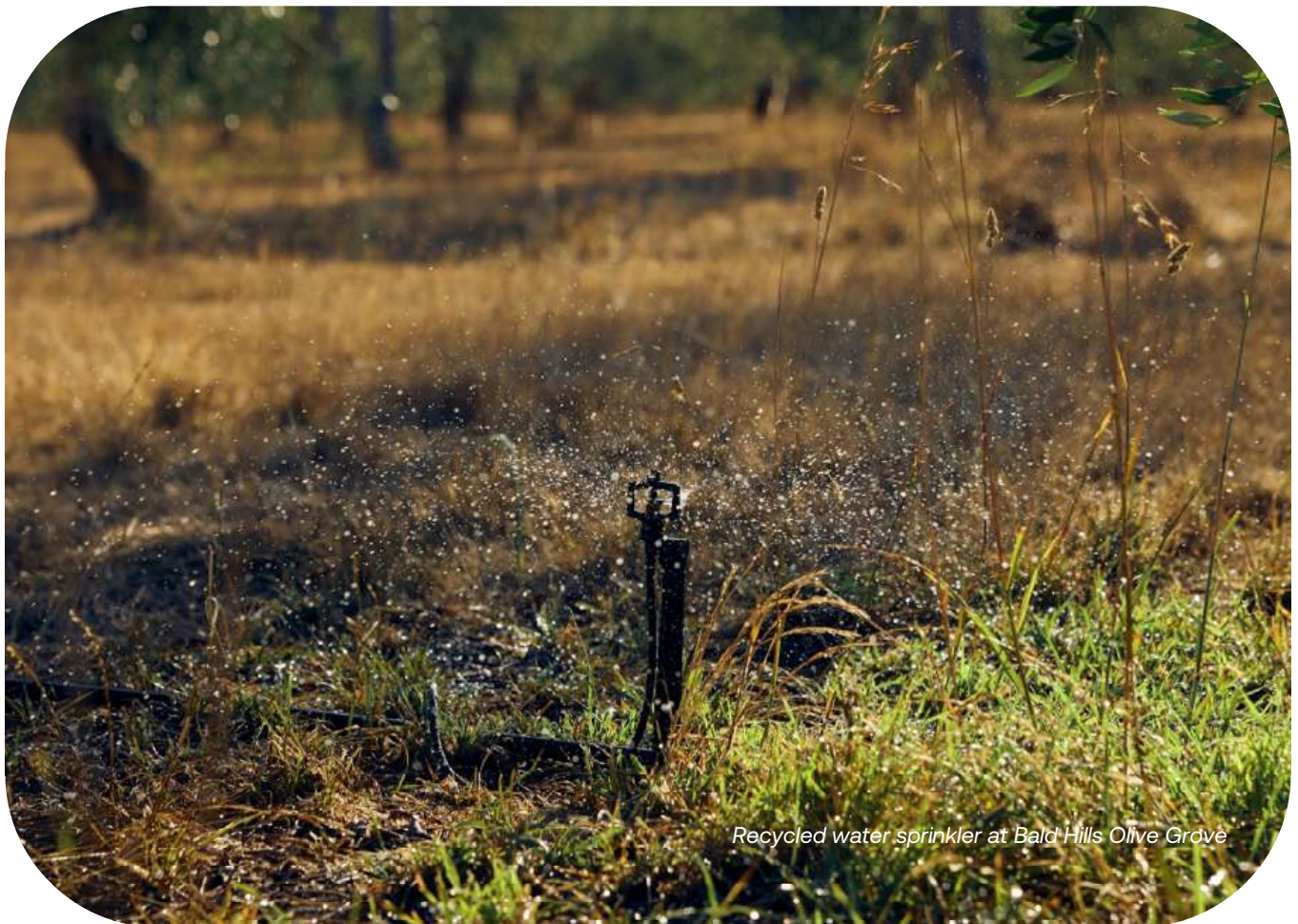
OBJECTIVE 5: Continue to promote and expand reuse opportunities in the district.

In Mount Barker, recycled water continued to be used to irrigate parks, gardens, sports facilities and school grounds to improve amenity and reduce demand on potable water sources and so delivering community green space, and thereby urban cooling and environmental outcomes.

In addition, this water was used for industry, agriculture and viticulture thereby supporting the local economy with a number of new and increased supply agreements signed during the year. This water source is also critical to the ongoing health and success of the Laratinga Wetlands which are valued by the community within the region and more widely for the significant environmental and recreation benefits provided.

In Meadows, recycled water continues to be used by local residents and businesses for irrigation and other non-drinking purposes, with demand for this resource increasing. It also supports the irrigation of the local sports facility and is backed up by a groundwater bore scheme, owned and operated by GMB Water, to ensure community access to high quality facilities.

Recycled water from the Echunga scheme continues to be utilised by the adjacent golf club.



Recycled water sprinkler at Bald Hills Olive Grove

OBJECTIVE 6: Meet regulatory requirements.

All regulatory requirements were met during the year with no major public health or environmental incidents recorded.

50 sites were sampled regularly throughout the year, with 1127 samples collected from these sites as part of the annual sampling plan to demonstrate regulatory compliance.

OBJECTIVE 7: Operate infrastructure safely and effectively.

The GMB Water Work Health Safety System was fully implemented during the year, the first year of operation.

During the year a total of seven work health safety incidents were reported by staff, and two hazards. There were no lost time or medical treatment injuries and only one high potential incident.

Recruitment of a Work Health and Safety Officer in FY 26/27 will facilitate a ground up review of existing processes, procedures and documentation utilised by staff for the completion of their work tasks and will support and uplift the quality of documentation, and reporting.

The SCADA system upgrade completed this year has allowed improved access and improvements or upgrades internally. This has improved reliability and cyber security and reduced contractor costs.



Performance Against Annual Business Plan 2025-2026 Key Performance Measures

Measure	Status
Commence construction of the Laratinga Water Recovery Plant by the fourth quarter of the 2025 - 2026 financial year.	ACHIEVED Early works commenced November 2025 and full site mobilisation from January 2026
CBD sewer trunk main project operational by late 2025	ACHIEVED Practical completion achieved in late 2025
Keep the subsidiary and the community safe with a target operations and capital works construction Total Recordable Injury Frequency Rate (TRIFR) of less than 3.	ACHIEVED TRIFR for GMB Water staff was 0 TRIFR for capital projects contractors was 0
Capital works delivery target of 100% for environmental and health compliance.	PARTIALLY ACHIEVED There were seven (7) minor environmental incidents during the year, and three (3) amendments to environment related scope or compliance requirements.
Distribute an additional 50 mega litres of recycled water per annum for beneficial reuse in the district	ACHIEVED New supply agreements entered into with 2 new customers for supply of up to 165ML of recycled water per annum
Issue Section 56 permits to 95% of existing trade waste generators	PARTIALLY ACHIEVED Section 56 permits issued to 91% of trade waste customers and 52% of trade waste customers active in Waste ID. Increased rates of business turnover have made achieving 95% very challenging.
Complete 95% of planned sampling program for recycled water and wastewater	ACHIEVED 100% of planned samples have been taken over the reporting period.
Complete planned programs that will improve network reliability including: • Flushing program - 95% of planned works completed. • Smoke testing and stormwater ingress - 95% of planned works completed. • Maintenance hole condition assessment - 95% of planned assessments completed. • Siphon and pump station chamber maintenance - 95% of planned works completed	ACHIEVED 96% of planned maintenance activities have been completed over the reporting period. Maintenance hole assessments were fully completed in FY 24/25 and none were planned in FY 25/26

Regulatory Performance

GMB Water operates in a wider statutory and regulatory framework established through legislation such as the Water Industry Act 2012 and various Regulations. The regulatory bodies most relevant to operations are:



Essential Services Commission of South Australia (ESCOSA) the independent economic regulator and licensor of Water Industry Entities



SA Environment Protection Authority (EPA) regulates GMB Water under the Environment Protection Act 1993



Department of Health and Wellbeing regulates GMB Water under the South Australian Public Health Act 2011 and the South Australian Public Health (Wastewater) Regulations 2013

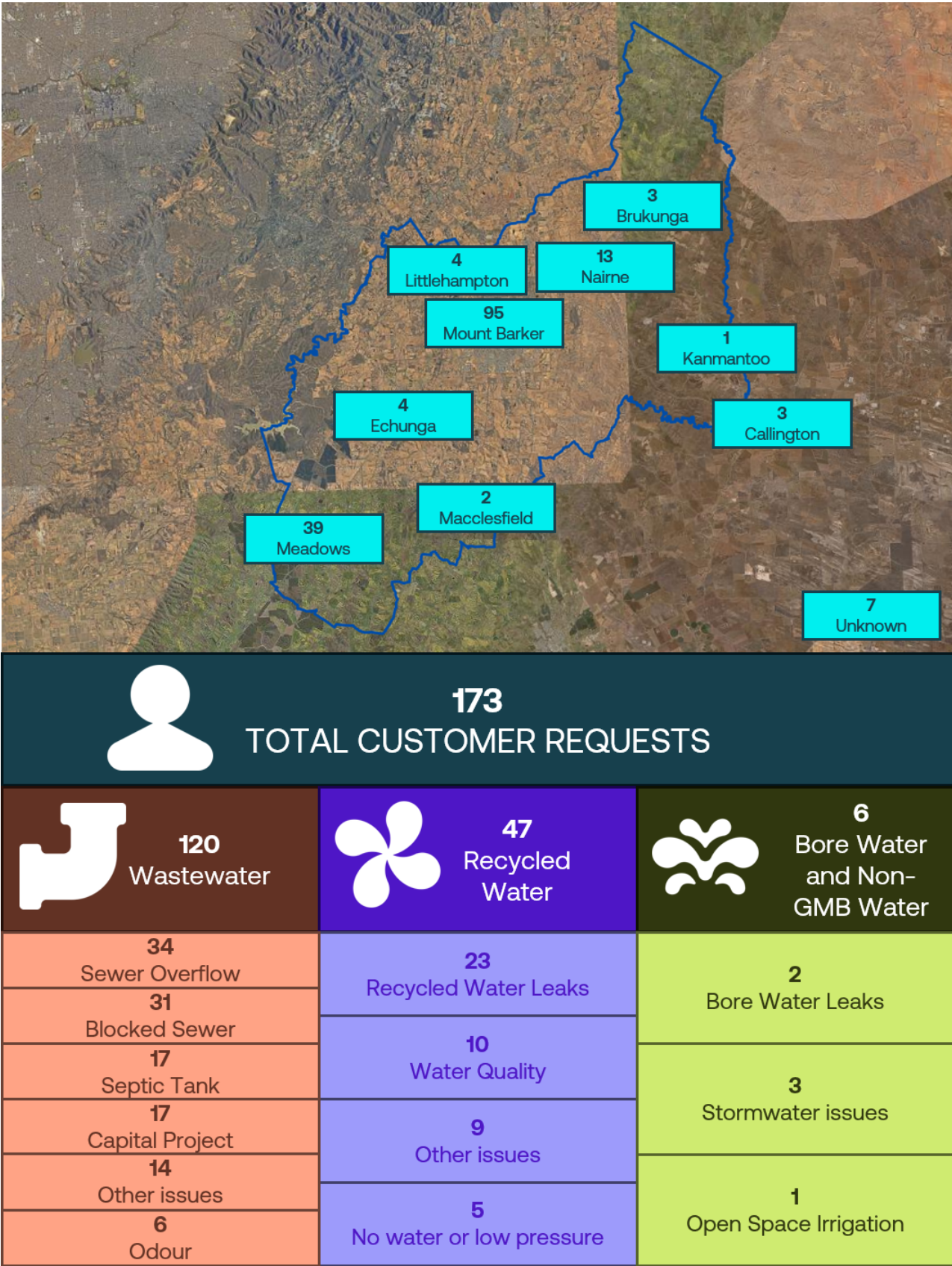


Office of the Technical Regulator (OTR) is responsible for monitoring and regulating safety and technical standards for water infrastructure

During 2025/26 there were:

- Three (3) Type 1 incidents reported to the Department for Health and Wellbeing. One was related to Sewer/ Effluent Overflow within the WWTP and into neighbouring property and the other two were related to positive E.coli detection in post membrane sampling. In both instances no E.Coli was detected post the UV sampling location, meaning no E.Coli left the WWTP. Subsequent sampling didn't detect any E.coli.
- Nineteen (19) Type 2 incidents reported relating to network overflows of which:
 - o 14 related to sewer
 - o 4 related to recycled water
 - o 1 related to a spill from the Laratinga Wetlands

Customer Requests Summary



Complaints

The Senior Business Coordinator and / or Business Support Officer are the first point of contact for all customer and community complaints during business hours, and on-call Operations team members out of hours.

Across these teams, GMB Water proactively identifies improvements to the feedback management processes across the organisation.

All forms of organisational feedback, including complaints, are valued and help to build customer trust and confidence and deliver excellent customer experiences.

In 2025/26 GMB Water received four (4) complaints, in addition to the 173 Customer Requests (CRMs), which equates to around 12 complaints or issues per 1,000 customers.

Of the customer complaints and issues we received, the majority were resolved at the first point of customer contact.

No complaints were escalated to the Energy and Water Ombudsman (SA).

GMB Water continuously reviews processes, strives for best practice and looks to improve recognition and capture of customer complaints at first contact. This work is designed to collect insights and improve overall customer experience.

Leadership and Governance



Fraud

Our Fraud, Corruption, Misconduct and Maladministration Prevention Policy outlines our commitment to creating an honest and ethical business environment with zero tolerance of fraud or corruption in any form. We perform a range of activities to prevent, detect and respond to fraud and corruption, including:

- oversight of risk management, including in regard to fraud, corruption, misconduct and maladministration by the Audit and Risk Management Committee and the Board
- regular fraud and corruption risk assessments undertaken with risk treatment plans for high-risk areas
- investigations of all allegations of fraud or corruption in accordance with our Policies and Procedures.
- Data analytic reviews conducted on payroll and accounts payable transactions by the Mount Barker District Council, and their External Auditor
- communication to staff and contractors on their requirement to act in accordance with our Employee Behaviour and Conduct Policy, how to report matters of concern and the protections provided to them in the *Public Interest Disclosure Act 2018*.

Public Interest Disclosure

Through our Public Interest Disclosure Act 2018 Procedure, GMB Water is committed to encouraging and facilitating disclosure, in the public interest, of information about substantial risks to public health, safety or the environment, or about corruption, misconduct and maladministration in public administration. GMB Water reports requisite allegations of fraud, corruption, misconduct or maladministration to the Office for Public Integrity or the Independent Commission Against Corruption, South Australia and acts in accordance with their advice, while maintaining statutorily required confidentiality.

Assurance and Risk Management

The GMB Water risk management framework is aligned with the South Australian Government Risk Management Guide and the principles of risk management as set out in the international risk management standard ISO 31000:2018 Risk Management – Guidelines.

GMB Water's commitment to effective risk management enables the consideration and treatment of risk to be integrated into functions, programs and operations with well informed, risk-based decision-making. The strategic risk profile is reported regularly to the Board through the Audit and Risk Management Committee.

Competitive Neutrality

The Mount Barker Region Wastewater Utility (trading as GMB Water) is a local government agency for the purposes of the:

- *Government Business Enterprises (Competition) Act 1996 (SA)*;
- *Competition Principles Agreement*; and
- *Revised clause 7 Statement on the Application of the Competition Principles to Local Government under the Competition Principles Agreement (the Clause 7 Statement)*.

The Clause 7 Statement requires GMB Water to include in its annual report specified relevant information.

Significant Business Activities

On 1 July 2025 GMB Water commenced the provision of water retail services including wastewater collection, wastewater treatment, bore water supply and recycled water treatment and distribution.

Corporatisation

GMB Water is a subsidiary established by the Mount Barker District Council pursuant to section 42 of the *Local Government Act 1999 (SA)* (the LG Act). GMB Water is a body corporate pursuant to clause 2 schedule 2 of the LG Act. Accordingly, by virtue of its corporate status, GMB Water has applied the corporatisation measure to implement competitive neutrality.

Cost Reflective Pricing

The determination made by the Essential Service Commission of South Australia (ESCOSA) pursuant to section 35(1) the *Water Industry Act 2012 (SA)*, entitled *2013-2017 Price Determination for Minor and Intermediate Retailers*, has continued in operation by subsequent determinations dated 21 June 2017 and 26 June 2018 (ESCOSA Determination) and applies to the provision of water retail services by GMB Water. The National Water Initiative Pricing Principles (NWIPPs) made pursuant to the *Intergovernmental Agreement on a National Water Initiative* contain detailed provisions regarding the calculation of charges for water services. GMB Water is generally required to calculate its prices in order to achieve full cost recovery. Accordingly, by virtue of the ESCOSA determination and NWIPPs, GMB Water has applied cost reflective pricing to implement competitive neutrality.

Complaints

GMB Water has a procedure for handling complaints about the manner in which competitive neutrality has, or has not, been implemented. No complaints were received in the 2025/26 reporting period and there are no outstanding or ongoing investigations from prior periods.

Governance

Board Member Meeting Attendance

Supporting informed decision-making through active Board Director participation and attendance at meetings. In accordance with the Mount Barker Region Wastewater Utility Charter the Mount Barker District Council established the GMB Water Board. The Board met seven (7) times this year.

Meeting Date	Meeting Type	In Attendance							
		MG	SK	IV	SF	CC	JC	LH	HE
30 July 2025	Ordinary	VT	VT	IP	IP	IP	IP	IP	IP
24 Sept 2025	Ordinary	IP	IP	IP	IP	IP	IP	IP	IP
27 Oct 2025	Out of Session (held via MS Teams)	VT	VT	VT	AB	VT	VT	VT	VT
26 Nov 2025	Ordinary	VT	IP	IP	IP	IP	VT	IP	IP
28 Jan 2026	Ordinary	IP	NA	IP	IP	IP	NA	IP	IP
25 Mar 2026	Ordinary	IP	NA	IP	IP	VT	NA	IP	IP
1 June 2026	Ordinary (No Quorum)	IP	NA	AB	AB	AB	NA	IP	IP

IP = In Person

VT = Via Teams

AB= Absent

NA = Not applicable

Directors' interests and benefits

For 2025/26, no Director had an interest in any contract or proposed contract with GMB Water, other than contracts in the ordinary course of business. No benefits were received by any Director of GMB Water by virtue of a contract that was made with GMB Water, other than in normal course of business as set out in the financial statements.

Audit and Risk Committee Member Meeting Attendance

Enhancing accountability through independent oversight of operations, risk and compliance through Audit and Risk Management committee member meeting attendance. In accordance with the Mount Barker Region Wastewater Utility Charter the Mount Barker District Council established the GMB Water Audit and Risk Management Committee. The Committee has received regular reports as per its work plan that is derived from its Terms of Reference. The Committee met three (3) times this year.

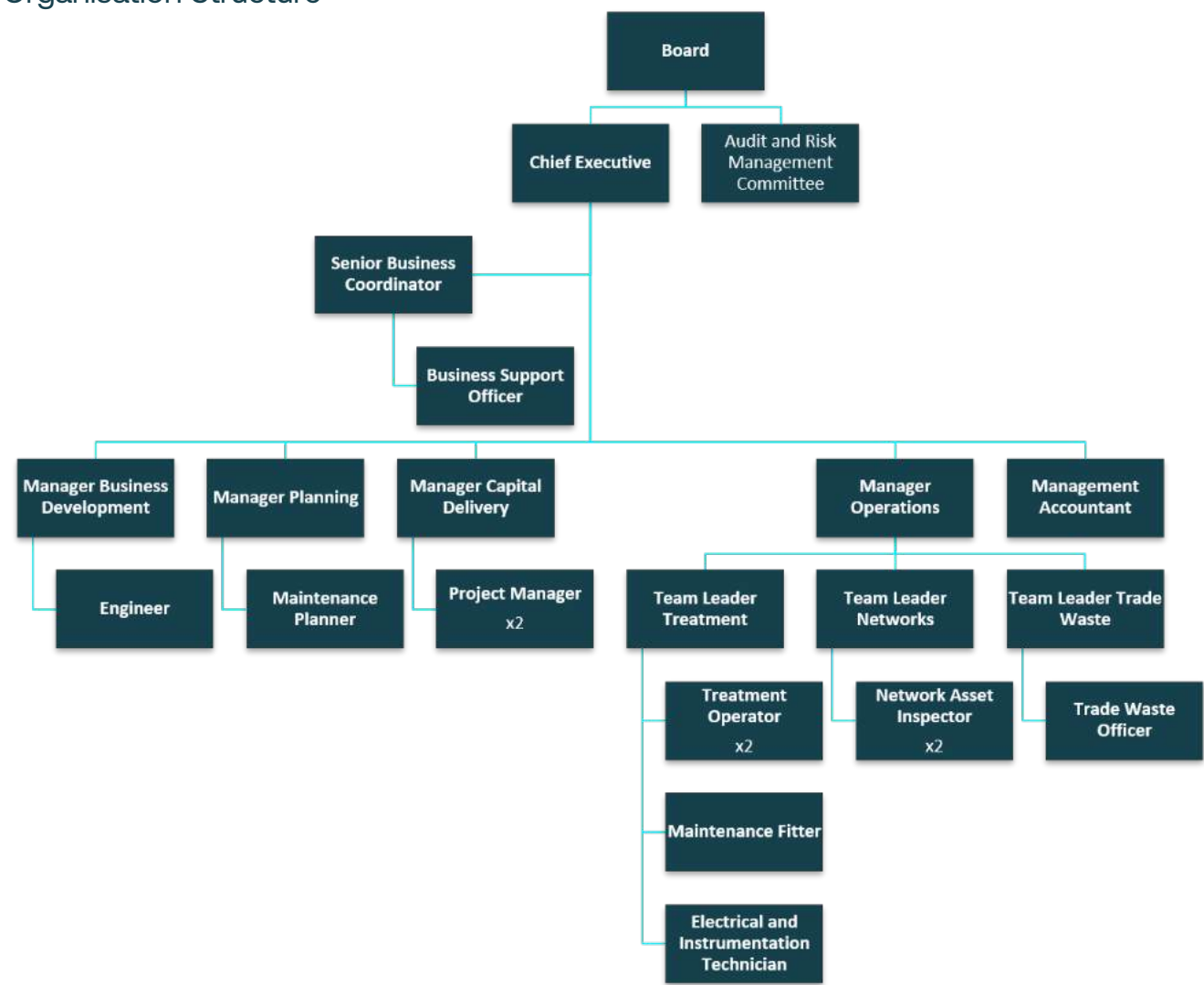
Meeting Date	Meeting Type	In Attendance					
		IV	SF	BG	MD	PT	DL
14 Oct 2025	Ordinary	P	P	P	P	P	P
3 Mar 2026	Ordinary	P	P	P	P	P	P
23 June 2026	Ordinary	P	P	P	P	P	P

P = Present

AB = Absent



Organisation Structure



Appendices





Audited Financial Statements

Mount Barker Region Wastewater Utility

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2026

General Purpose Financial Statements

for the year ended 30 June 2026

Contents	Page
Mount Barker Region Wastewater Utility's certificate	2
Understanding Mount Barker Region Wastewater Utility's Financial Statements	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Independent Auditor's Report – Financial Statements	28
Certificates of Audit Independence	
Certificate of Audit Independence	30
Audit Certificate of Audit Independence	31

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Mount Barker Region Wastewater Utility to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Utility's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Utility provide a reasonable assurance that the Utility's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Utility's accounting and other records.



Chief Executive
Helen Edmonds

21 September 2026



Deputy Chair of the Board
Isabella Villani

21 September 2026

General Purpose Financial Statements

for the year ended 30 June 2026

Understanding Mount Barker Region Wastewater Utility's Financial Statements

Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive and Chair of the Board as presenting a true and fair view of the Utility's financial position and performance for the year. This certification reflects the Board's and management's responsibility for the preparation and integrity of the Utility's Financial Statements.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of the Utility for the financial year ended 30 June 2026.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

1. **A Statement of Comprehensive Income**
A summary of the Utility's financial performance for the year, listing all income and expenses.
2. **A Balance Sheet**
A 30 June snapshot of the Utility's financial position including its assets and liabilities.
3. **A Statement of Changes in Equity**
The overall change for the year (in dollars) of the Utility's "net wealth".
4. **A Statement of Cash Flows**
Indicates where the Utility's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

About the Auditor's Reports

The Mount Barker Region Wastewater Utility's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Utility's financial performance and position.

About the Independence Certificates

The Mount Barker Region Wastewater Utility's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Utility and on Utility's website.

Statement of Comprehensive Income

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Income			
Annual service charges	4a	6,875	—
Statutory charges	4b	135	—
User charges	4c	196	—
Other income	4d	73	—
Total income		7,279	—
Expenses			
Employee costs	5a	1,596	—
Materials, contracts and other expenses	5b	2,967	—
Depreciation, amortisation and impairment	5c	1,774	—
Finance costs	5d	1,016	—
Total expenses		7,353	—
Operating surplus / (deficit)		(74)	—
Amounts received specifically for new or upgraded assets	4e	2,686	—
Physical resources received free of charge	4f	243	—
Asset disposal and fair value adjustments	6	(79)	—
Net surplus / (deficit)		2,776	—
Other comprehensive income			
Amounts which will be reclassified subsequently to operating result			
Other movements		—	—
Total amounts which will be reclassified subsequently to operating result		—	—
Total other comprehensive income		—	—
Total comprehensive income		2,776	—

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

Statement of Financial Position

as at 30 June 2026

\$ '000	Notes	2026	2025
ASSETS			
Current assets			
Cash and cash equivalent assets	7a	93	—
Trade and other receivables	7b	3,068	—
Other financial assets		1,849	—
Subtotal		5,010	—
Total current assets		5,010	—
Non-current assets			
Other non-current assets	8	65,087	—
Infrastructure, property, plant and equipment	9	179,007	—
Total non-current assets		244,094	—
TOTAL ASSETS		249,104	—
LIABILITIES			
Current liabilities			
Trade and other payables	10a	8,119	—
Provisions	10c	317	—
Subtotal		8,436	—
Total current liabilities		8,436	—
Non-current liabilities			
Borrowings	10b	54,321	—
Provisions	10c	58	—
Total non-current liabilities		54,379	—
TOTAL LIABILITIES		62,815	—
Net assets		186,289	—
EQUITY			
Accumulated surplus		1,771	—
Asset revaluation reserves	11a	79,348	—
Contributed Equity		105,170	—
Total equity		186,289	—
Total equity		186,289	—

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

Statement of Changes in Equity

for the year ended 30 June 2026

\$ '000	Accumulated surplus	Asset revaluation reserve	Contributed Equity	Total equity
2026				
Opening balance	–	–	–	–
Net surplus / (deficit) for year	2,776	–	–	2,776
Transaction with Mount Barker District Council in their capacity as the owner				
Equity transferred from Mount Barker District Council on establishment	–	79,348	105,170	184,518
Cost of Capital	(1,005)	–	–	(1,005)
Balance at the end of period	1,771	79,348	105,170	186,289

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

Statement of Cash Flows

for the year ended 30 June 2026

\$ '000	Notes	2026	2025
Cash flows from operating activities			
<u>Receipts</u>			
Annual service charge receipts		3,827	—
Statutory charges		135	—
User charges		103	—
Other receipts		4,311	—
<u>Payments</u>			
Payments to employees		(1,402)	—
Payments for materials, contracts and other expenses		(6,699)	—
Finance payments		(1,016)	—
Net cash provided by (or used in) operating activities	12b	(741)	—
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		2,686	—
Sale of replaced assets		(79)	—
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(20,069)	—
Expenditure on new/upgraded assets		(15,005)	—
Net cash provided (or used in) investing activities		(32,467)	—
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from loans		33,301	—
Net cash provided by (or used in) financing activities		33,301	—
Net increase (decrease) in cash held		93	—
<u>Cash and cash equivalents held at end of period</u>	12a	<u>93</u>	<u>—</u>

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Material Accounting Policies	9
2	Financial indicators	12
3	Uniform presentation of finances	14
4	Income	15
5	Expenses	16
6	Asset disposal and fair value adjustments	17
7	Current assets	17
8	Non-current assets	17
9	Infrastructure, property, plant & equipment and investment property	18
10	Liabilities	20
11	Reserves	20
12	Reconciliation to Statement of Cash Flows	21
13	Financial instruments	22
14	Capital expenditure and investment property commitments	25
15	Superannuation	25
16	Events after the balance sheet date	26
17	Related party transactions	26

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by the Utility in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 30 September 2026.

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Utility's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

(2) The local government reporting entity

Mount Barker Region Wastewater Utility, trading as GMB Water, is a subsidiary established by Mount Barker District Council under section 42 of the South Australian Local Government Act 1999. GMB Water commenced trading on 1 December 2025 and is responsible for the delivery and management of Council's wastewater and recycled water services. These financial statements present the financial position, financial performance and cash flows of GMB Water as a separate reporting entity.

(3) Income recognition

The Utility recognises revenue in accordance with AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, as applicable.

Revenue is recognised under AASB 15 where an enforceable contract with a customer contains sufficiently specific performance obligations. Revenue is recognised when, or as, those performance obligations are satisfied through the transfer of control of the relevant goods or services to the customer. Revenue is measured based on the consideration to which the Utility expects to be entitled in exchange for those goods or services.

AASB 1058 applies to transactions where the consideration paid to acquire an asset is significantly less than its fair value, principally to enable the Utility to further its objectives. The excess of the fair value of the asset recognised over any related amounts is generally recognised as income immediately.

Where the Utility receives a financial asset to enable it to acquire or construct a recognisable non-financial asset that will be controlled by GMB Water, a liability is initially recognised for the related obligation. This liability is subsequently recognised as income as GMB Water satisfies its obligations associated with the acquisition or construction of the non-financial asset.

(4) Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Mount Barker Region Wastewater Utility's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 14.

(5) Infrastructure, property, plant and equipment

6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Utility includes the cost of all materials used in construction, direct labour on the project and other overhead cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Utility for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Recycled Water Assets	\$5,000
Wastewater Assets	\$5,000

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 9.

6.4 Depreciation of non-current assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Utility, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Utility, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Infrastructure

Flood control structures	80 to 100 years
Dams and reservoirs	80 to 100 years
Bores	20 to 40 years

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

Reticulation pipes – PVC	70 to 80 years
Reticulation pipes – other	25 to 75 years
Pumps and telemetry	15 to 25 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Utility were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed 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 (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 5, and the amount (if any) of interest revenue offset against borrowing costs in Note 4.

(6) Payables

8.1 Goods and services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

8.2 Payments received in advance and deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to the Utility's assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(7) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

(8) Employee benefits

10.1 Salaries, wages and compensated absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with *AASB 119 Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 1.4%

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

Weighted avg. settlement period 0.42 years

No accrual is made for sick leave as the Utility's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Utility does not make payment for untaken sick leave.

10.2 Superannuation

The Utility makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and the Utility's involvement with the schemes are reported in Note 15.

(9) GST implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(10) New accounting standards and UIG interpretations

The Utility has assessed all the standards / interpretations currently issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

(11) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Note 2. Financial indicators

	Indicator 2026	Indicator 2025
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>		
1. Operating Surplus Ratio		
Operating surplus		
Total operating income	(1.0)%	∞
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>		
2. Net Financial Liabilities Ratio		
Net financial liabilities		
Total operating income	794%	∞

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 2. Financial indicators (continued)

	Indicator 2026	Indicator 2025
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Utility's businesses). These are expressed as a percentage of total operating revenue.

3. Asset Renewal Funding Ratio

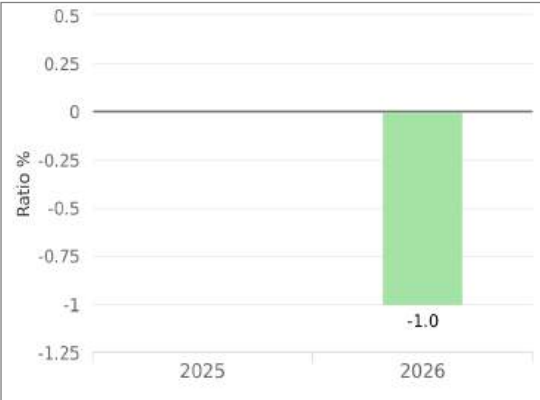
Asset renewals	
Infrastructure and Asset Management Plan required expenditure	

53% ∞

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

Financial indicators - graphs

1. Operating Surplus Ratio

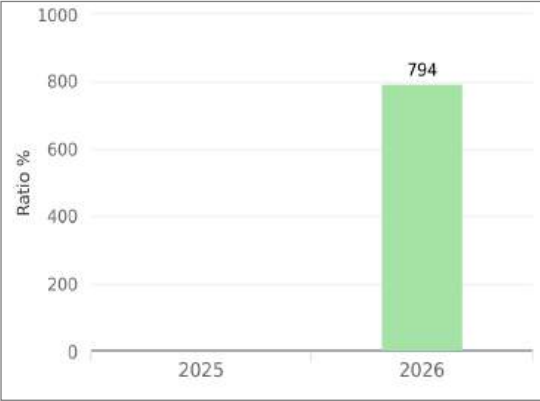


Purpose of operating surplus ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2025/26 result	
2025/26 ratio	(1.0)%
The negative Operating Surplus Ratio for 2025/26 was anticipated and primarily reflects significant one-off desludging costs incurred during the year, together with only seven months of trading activity from 1 December 2025. These factors are not representative of the Utility's underlying operating position, and the ratio is expected to improve as expenditure normalises and a full year of trading is reflected in future results.	

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2025/26 result	
2025/26 ratio	794%
The Net Financial Liabilities Ratio of 794% reflects the Utility's significant investment in long-lived wastewater infrastructure and the associated debt funding required to deliver this infrastructure. The ratio is also influenced by the Utility only commencing trading on 1 December 2025, resulting in seven months of operating income being reflected in the denominator of the calculation. As the Utility records a full year of operating income in future periods and debt is progressively repaid, the ratio is expected to improve over time.	

3. Asset Renewal Funding Ratio

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 2. Financial indicators (continued)

Ratio %	Commentary on 2025/26 result	
	2025/26 ratio	53%
The Asset Renewal Funding Ratio was 53% for 2025/26, below the target of 100%. This primarily reflects the reforecasting of expenditure associated with the major LWRP project into future financial years, together with only seven months of trading activity from 1 December 2025. The deferred expenditure is expected to be incurred in subsequent periods.		

Note 3. Uniform presentation of finances

\$ '000	2026	2025
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The following is a high-level summary of both operating and capital investment activities of the Utility prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

Income

Annual service charges	6,875	—
Statutory charges	135	—
User charges	196	—
Other income	73	—
Total Income	7,279	—

Expenses

Employee costs	(1,596)	—
Materials, contracts and other expenses	(2,967)	—
Depreciation, amortisation and impairment	(1,774)	—
Finance costs	(1,016)	—
Total Expenses	(7,353)	—

Operating surplus / (deficit)	(74)	—
Adjusted Operating surplus / (deficit) before capital amounts	(74)	—

Net outlays on existing assets

Capital expenditure on renewal and replacement of existing assets	(20,069)	—
Add back depreciation, amortisation and impairment	1,774	—
Add back proceeds from sale of replaced assets	(79)	—
	(18,374)	—

Net outlays on new and upgraded assets

Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(15,005)	—
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Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 3. Uniform presentation of finances (continued)

\$ '000	2026	2025
Add back amounts received specifically for new and upgraded assets	2,686	—
	(12,319)	—
Adjusted annual net impact to financing activities (surplus/(deficit))	(30,767)	—

Note 4. Income

\$ '000	2026	2025
(a) Annual service charges		
Community wastewater sewer charges	6,875	—
<u>Total annual service charges</u>	<u>6,875</u>	<u>—</u>
(b) Statutory charges		
Sundry	135	—
<u>Total statutory charges</u>	<u>135</u>	<u>—</u>
(c) User charges		
Sale of Recycled Water	196	—
<u>Total user charges</u>	<u>196</u>	<u>—</u>
(d) Other income		
Other	73	—
<u>Total other income</u>	<u>73</u>	<u>—</u>
(e) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	2,686	—
<u>Total grants, subsidies and contributions</u>	<u>2,686</u>	<u>—</u>
(f) Physical resources received free of charge		
Wastewater	243	—
<u>Total physical resources received free of charge</u>	<u>243</u>	<u>—</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Expenses

Note 5. Expenses

\$ '000	Notes	2026	2025
(a) Employee costs			
Salaries and wages		1,532	—
Employee leave expense		198	—
Superannuation - defined contribution plan contributions	15	185	—
Workers' compensation insurance		40	—
Other employee related costs		123	—
Less: capitalised and distributed costs		(482)	—
Total operating employee costs		1,596	—

(b) Materials, contracts and other expenses

(ii) Other materials, contracts and expenses

Contractors		798	—
Energy		355	—
Maintenance		8	—
Legal expenses		15	—
Levies - other		3	—
Parts, accessories and consumables		590	—
Professional services		38	—
Sundry		70	—
Corporate support and shared services		654	—
Less: capitalised and distributed Costs		32	—
Septic Tank Clean Outs		203	—
Water		26	—
Communication		65	—
Insurance & Risk Cover		69	—
Software Licences		20	—
External Plant Hire		21	—
Subtotal - Other material, contracts and expenses		2,967	—
Total materials, contracts and other expenses		2,967	—

(c) Depreciation, amortisation and impairment

(i) Depreciation and amortisation

Infrastructure			
Wastewater		1,590	—
Recycled Water		184	—
Subtotal		1,774	—
Total depreciation, amortisation and impairment		1,774	—

(d) Finance costs

Interest on loans		1,016	—
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Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 5. Expenses (continued)

<u>Total finance costs</u>	<u>1,016</u>	<u>—</u>
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Note 6. Asset disposal and fair value adjustments

<u>\$ '000</u>	<u>2026</u>	<u>2025</u>
Infrastructure, property, plant and equipment		
Proceeds from disposal	(79)	—
Less: carrying amount of assets sold	—	—
Less: amounts previously recognised in other comprehensive income	—	—
<u>Net gain (loss) on disposal or revaluation of assets</u>	<u>(79)</u>	<u>—</u>

Note 7. Current assets

<u>\$ '000</u>	<u>2026</u>	<u>2025</u>
(a) Cash and cash equivalent assets		
Cash on hand and at bank	93	—
<u>Total cash and cash equivalent assets</u>	<u>93</u>	<u>—</u>

(b) Trade and other receivables

Accrued revenues	93	—
Debtors - general	1,399	—
GST recoupment	1,480	—
Prepayments	96	—
Subtotal	3,068	—

Note 8. Non-current assets

<u>\$ '000</u>	<u>2026</u>	<u>2025</u>
Other non-current assets		
Other		
Capital work in progress	65,087	—
Total other	65,087	—
<u>Total other non-current assets</u>	<u>65,087</u>	<u>—</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

\$ '000	Fair Value Level	as at 30/06/25				Asset movements during the reporting period					as at 30/06/26			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Assets transferred	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 5c)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Wastewater	3	–	–	–	–	204,120	13,274	662	(79)	(1,590)	203,949	13,936	(59,995)	157,890
Recycled Water	3	–	–	–	–	24,857	147	–	–	(184)	24,857	147	(3,887)	21,117
Total infrastructure, property, plant and equipment		–	–	–	–	228,977	13,421	662	(79)	(1,774)	228,806	14,083	(63,882)	179,007

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be 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: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 9(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on valuations

There is no active market for the wastewater and recycled water infrastructure assets owned by the utility. Accordingly, these assets are valued using depreciated current replacement cost.

This valuation methodology involves:

- determining the current cost to replace the asset, or its modern engineering equivalent, using current prices for materials and labour. Asset quantities and unit rates are estimated based on recent construction experience, available engineering information and relevant industry construction rates; and
- calculating accumulated depreciation based on the asset's current replacement cost, estimated residual value, remaining useful life and condition, using the depreciation methodology adopted by the subsidiary.

This valuation methodology involves significant judgement and estimation uncertainty, particularly in relation to asset quantities, unit rates, useful lives, residual values and asset condition. Changes in construction costs, materials and labour prices, asset condition assessments, or the development of more efficient construction techniques may result in changes to estimated fair values.

Other information

Land Assets

Certain land assets utilised in the operations of GMB Water remain under ownership and control of the Mount Barker District Council. The Council has advised that it does not intend to transfer ownership of these land assets to GMB Water. The Council and GMB Water have expressed an intention to establish a formal Operational Agreement to document the respective rights, responsibilities and obligations associated with the use of these assets. As at the date of signing these financial statements, no Operational Agreement has been executed. Notwithstanding this, the Council and GMB Water have been operating substantially in accordance with the principles contemplated by the proposed agreement, with GMB Water utilising the land assets in support of its wastewater operations.

Wastewater Infrastructure Assets

Certain wastewater infrastructure assets utilised in the provision of wastewater services remain legally owned by the Mount Barker District Council. The Council has expressed its intention to transfer ownership of these wastewater infrastructure assets to GMB Water. The parties intend to formalise the transfer through a legally binding agreement and/or deed that will document the transfer arrangements and associated rights and obligations. As at the date of signing these financial statements, the transfer has not been formally completed and no agreement or deed has been executed. However, GMB Water has been operating and managing the wastewater infrastructure assets substantially as if the transfer had occurred, consistent with the intentions of the parties. The accounting recognition of these assets reflects management's assessment of GMB Water's control over the assets and the associated future economic benefits and service potential, rather than legal ownership alone.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, property, plant & equipment and investment property (continued)

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 *Fair Value Measurement* have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Wastewater assets

- **Date of valuation:** 31 December 2024. Asset additions subsequent to the valuation date are recognised at cost. Prior to the transfer of the wastewater assets from Council to the Utility, the asset values were indexed to the transfer date using half of the prior year March-to-March CPI movement, reflecting the six-month period since the 31 December 2024 valuation.
- **Valuer:** Ashay Prabhu, MIE(Aust), CPEng, NPER, Assetic Pty Ltd – independent valuation.
- **Basis of valuation:** Fair value using depreciated replacement cost, based on Level 3 valuation inputs. Asset condition inspections were undertaken concurrently with the valuation.

Note 10. Liabilities

\$ '000	2026 Current	2026 Non Current	2025 Current	2025 Non Current
(a) Trade and other payables				
Goods and services	7,446	—	—	—
Accrued expenses - employee entitlements	95	—	—	—
Accrued expenses - other	578	—	—	—
Total trade and other payables	8,119	—	—	—

(b) Borrowings

Loans	—	54,321	—	—
Total Borrowings	—	54,321	—	—

All interest bearing liabilities are secured over the future revenues of the Council

(c) Provisions

Employee entitlements (including oncosts)	317	58	—	—
Total provisions	317	58	—	—

Note 11. Reserves

\$ '000	as at 30/06/25				as at 30/06/26
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Infrastructure	—	—	—	—	—
Wastewater	—	—	69,495	—	69,495
Recycled Water	—	—	9,852	—	9,852
Total asset revaluation reserve	—	—	79,347	—	79,347

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 11. Reserves (continued)

	as at 30/06/25				as at 30/06/26
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(b) Transactions with Mount Barker District Council in its capacity as owner					
Contributions of equity	–	105,170	–	–	105,170
Cost of Capital	–	(1,005)	–	–	(1,005)
Total Contributed Equity	–	104,165	–	–	104,165

Purposes of reserves

Asset revaluation reserves

The asset revaluation reserve represents the revaluation reserve associated with wastewater and recycled water infrastructure transferred to Mount Barker Region Wastewater Utility from Mount Barker District Council on establishment. The reserve was transferred directly from Council and reflects revaluation increments previously recognised by Council in respect of those assets.

Other reserves

Contributed equity represents the net assets transferred to Mount Barker Region Wastewater Utility from Mount Barker District Council on establishment. The contribution reflects the net carrying value of the assets and liabilities transferred by Council to establish the Utility, excluding amounts separately recognised within the asset revaluation reserve.

Note 12. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2026	2025
(a) Reconciliation of cash			
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	7	93	–
Balances per Statement of Cash Flows		93	–

(b) Reconciliation of Operating Result

Net surplus/(deficit)	2,776	–
Non-cash items in income statements		
Depreciation, amortisation and impairment	1,774	–
Non-cash asset acquisitions	(243)	–
Grants for capital acquisitions treated as investing activity	(2,686)	–
Net (gain)/loss on disposals	79	–
	1,700	–
Add (less): changes in net current assets		
Net (increase)/decrease in receivables	(3,068)	–
Net increase/(decrease) in trade and other payables	8,119	–
Less: increase in capital creditors	(7,591)	–
Net increase/(decrease) in unpaid employee benefits	375	–
Less: employee benefit liabilities transferred on establishment	(276)	–

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 12. Reconciliation to Statement of Cash Flows (continued)

Net cash provided by (or used in) operations	(741)	—
---	-------	---

\$ '000	Notes	2026	2025
---------	-------	------	------

(c) Non-cash financing and investing activities

Acquisition of assets by means of:

Physical resources received free of charge	4f	243	—
Amounts recognised in income statement		243	—

Total non-cash financing and investing activities		243	—
--	--	------------	----------

Note 13. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions: Cash is held in a NAB Corporate Cheque Account. Interest is calculated on the daily credit balance and credited to the account monthly. Different variable interest rates may apply to different tiers of the account balance in accordance with the terms of the account.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - annual service charges and associated charges (including legals and penalties for late payment)

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 8.5%. The Utility is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying amount:

Approximates fair value.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 13. Financial instruments (continued)

Liabilities - creditors and accruals

Accounting policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the utility.

Terms and conditions:

Liabilities are normally settled on 30 day terms.

Carrying amount:

Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Borrowings comprise Cash Advance Debentures provided by the Local Government Finance Authority of South Australia. Fixed-rate CAD drawings bear interest at rates ranging from **5.72% to 5.77%** at 30 June 2026, with maturity dates ranging from **May 2027 to May 2029**.

Variable-rate Cash Advance Debentures are drawn down to meet funding requirements and bear interest at variable rates. The applicable variable interest rate at 30 June 2026 was **5.85%**.

Carrying Amount: Approximates fair value.

Liabilities - leases

Accounting policy:

Accounted for in accordance with AASB 16 as stated in Note 16.

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2026					
Financial assets					
Cash and cash equivalents	93	—	—	93	93
Receivables	2,972	—	—	2,972	2,972
Total financial assets	3,065	—	—	3,065	3,065
Financial liabilities					
Payables	8,119	—	—	8,119	8,119
Non-current borrowings	3,145	65,457	—	68,602	54,321
Total financial liabilities	11,264	65,457	—	76,721	62,440
Total financial assets and liabilities	14,329	65,457	—	79,786	65,505

The following interest rates were applicable to the Utility's borrowings at balance date:

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 13. Financial instruments (continued)

\$ '000	2026		2025	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
\$ '000	2026		2025	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	5.79%	54,321	0.00%	—
		54,321		—

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 13. Financial instruments (continued)

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Utility is the carrying amount, net of any impairment. All Utility investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 7 and 8 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Utility's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Utility also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Utility has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 14. Capital expenditure and investment property commitments

\$ '000	2026	2025
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Wastewater	87,800	—
	87,800	—
These expenditures are payable:		
Not later than one year	87,800	—
	87,800	—

Note 15. Superannuation

The Utility makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (12.00% in 2025/26; 11.50% in 2024/25). No further liability accrues to the Utility as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Utility makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2024/25) of "superannuation" salary.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 15. Superannuation (continued)

In addition, the Utility makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), the Utility does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Utility's contribution rates at some future time.

Contributions to other superannuation schemes

The Utility also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Utility.

Note 16. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2026, up to and including the date on which the financial statements are authorised for issue, have been considered in the preparation of these financial statements.

Mount Barker Region Wastewater Utility has adopted the date of receipt of the Auditor's Report as the appropriate date on which these General Purpose Financial Statements are authorised for issue.

The Utility is not aware of any material or significant non-adjusting events after the reporting date that require disclosure in these financial statements.

Note 17. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of Mount Barker Region Wastewater Utility comprise the Chief Executive and members of the Board. In all, 6 persons were paid the following total compensation.

\$ '000	2026	2025
The compensation paid to key management personnel comprises:		
Post-employment benefits	8,116	—
Short-term employee benefits	194,819	—
Total	202,935	—

Amounts paid as direct reimbursement of expenses incurred on behalf of the Mount Barker Region Wastewater Utility have not been included above.

Receipts from key management personnel comprise:

Other than amounts paid as customers of the Mount Barker Region Wastewater Utility, no other amounts were received.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 17. Related party transactions (continued)

Related party transaction with Mount Barker District Council	\$'000
Corporate overheads allocated under the Full Cost Attribution (FCA) methodology	666
Cost of capital charge	1,005
Total	1,671

Legal costs of \$44,594.70 were incurred with Norman Waterhouse. The former Chair of the Board, who resigned in January 2026, was a partner of the firm but was not the engagement partner in relation to services provided to the Utility.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOUNT BARKER REGION WASTEWATER UTILITY

Opinion

We have audited the accompanying financial report of Mount Barker Region Wastewater Utility, which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of Mount Barker Region Wastewater Utility as of 30 June 2026, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

BENTLEYS SA AUDIT PARTNERSHIP



DAVID PAPA
PARTNER

Dated at Adelaide this 23rd day of September 2026

Bentleys SA Audit Partnership

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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Mount Barker Region Wastewater Utility for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Bentleys SA Audit Partnership



David Papa
Partner

Dated at Adelaide this 31st day of August 2026.

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Mount Barker Region Wastewater Utility for the year ended 30 June 2026, the Council's Auditor, Bentleys has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

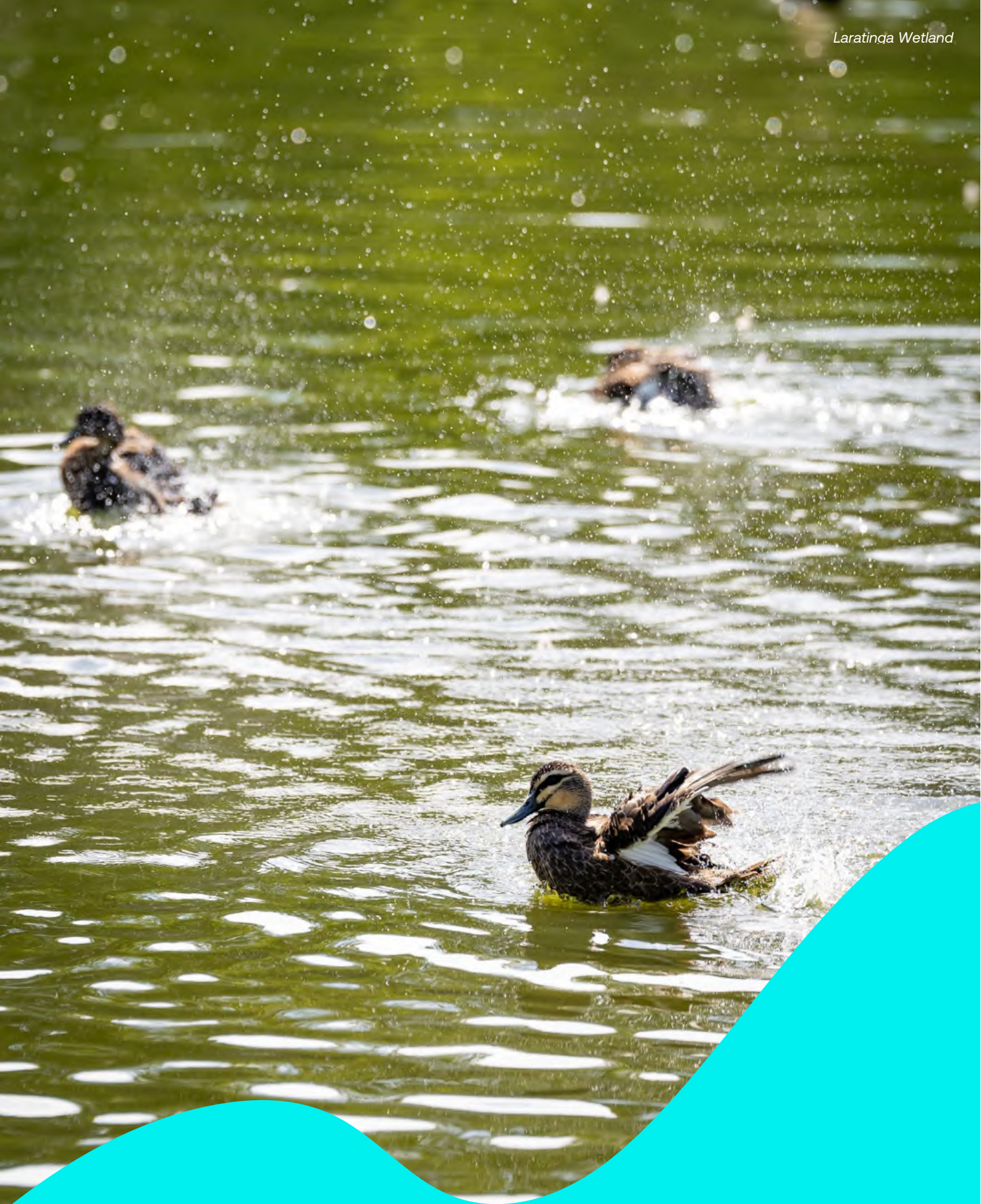


Helen Edmonds
Chief Executive



Isabella Villani
Presiding Member Audit and Risk Management
Committee

Date: 08/09/2026



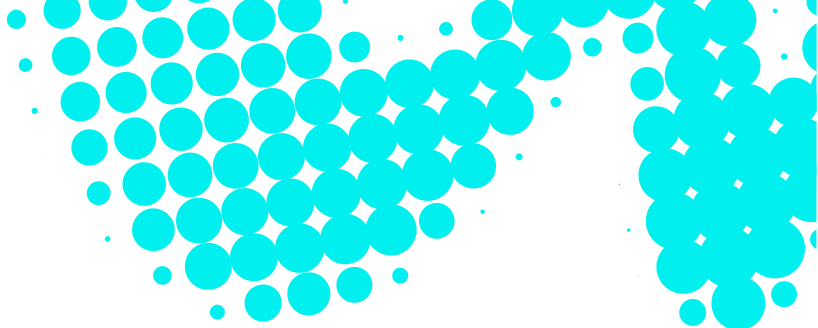
Audit and Risk Management Committee Annual Report

Audit and Risk Management Committee Annual Report 2025/26

Version 1.0

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Contents

The Role of the Committee	3
Letter from the Chair	4
Membership of the Committee	5
How the Committee Discharged its Responsibilities	8
Key Activities and Achievements	10
Policies and Frameworks	10
Strategic Plan	10
Draft Financial Statements FY26 and Annual Report	10
Major / Strategic Projects	10
Internal Audit Plan and Internal Auditor Procurement	11
Risk Register and Emerging Risks	11
Other topics	11
Audit and Risk Management Committee Performance Evaluation	12
Audit and Risk Committee Skills Assessment	13
Plans for 2026/27	14

The Role of the Committee

The Audit and Risk Management Committee (ARMC) is an important, legislatively required and key component of the local government framework.

The function of an Audit and Risk Management Committee is to provide an independent, high level resource, to support good governance and strong public financial management. The objective of the Committee is to provide independent assistance to the Board by monitoring, reviewing and providing advice about GMB Water's financial governance processes, financial and non-financial risk management and control frameworks, and its external accountability obligations.

The Audit and Risk Management Committee operates in accordance with the GMB Water Audit and Risk Management Committee Terms of Reference (ToR) and the Mount Barker Region Wastewater Utility Charter. The ToR details the objectives and role of the Committee.

The Committee's responsibilities include, but are not limited to, the following matters with a view to bring any relevant issues to the attention of the Board:

- Oversight of the integrity of GMB Water's financial reporting and sustainability;
- Provide advice relevant to the scope of the Committee's functions on the organisation's strategic management plans;
- Oversight of governance, risk management and internal control arrangements;
- Provide independent assurance and advice to the Board on external accountability, compliance, ethics, and applicable laws and regulations;
- Oversight of the performance of the internal audit function;
- Oversight of the external auditor's performance, objectivity and independence; and
- Provide effective liaison between the External Auditor and the Board

Letter from the Chair

Dear Board Members

As Chair of the Audit and Risk Management Committee, I am pleased to present our annual report for the 2025/26 financial year.

In its first year the Committee has provided strong and independent oversight of GMB Water's financial reporting, internal controls, risk management and governance practices. We are committed to supporting the Board by reviewing and advising on key documents, including the Long Term Financial Plan, Asset Management Plans, Annual Business Plan and Budget, Annual Report, financial statements, budget reviews and major policies.

In 2025/26 the Committee supported management in the appointment of an internal audit panel and commencement of an internal audit program in the 2026/27 financial year. The Committee also undertook review of GMB Water's annual business plan, financial management, and other key, policies, risk management framework, and strategic risk register, as well as receiving updates on major projects and programs.

Following completion of the first year of operation we have undertaken our first annual self-assessment and will use the information this has provided to make improvements to the Committee's work program and interactions to ensure we continue to add value and remain aligned with the Board's expectations. I would like to take this opportunity to thank my fellow Committee members for their continued commitment and thoughtful contributions. Their combined expertise has ensured that the Committee remains focused, effective and constructive in its approach.

Looking ahead, the Audit and Risk Management Committee remains dedicated to strengthening GMB Water's governance framework and supporting the Board in managing risk, achieving compliance and ensuring financial accountability.

We appreciate the Board's trust and support and look forward to the year ahead.

Isabella Villani
Chair, Audit and Risk Management Committee
GMB Water

Membership of the Committee

During 2025-26 the Audit and Risk Management Committee comprised three independent members and two GMB Water Board Members. The Committee met on three occasions following their appointment by the Council in August 2025.

Through its annual self-assessment process, the Committee has confirmed that its current members possess the necessary competencies, along with recent, relevant and extensive experience.

The current Committee membership is as follows:

Isabella Villani

Board Member, Audit and Risk Management Committee Chair

Term Expires 30 June 2029



Isabella has served on the GMB Water Board since February 2025 and as Deputy Chair since March 2026. She has chaired the Audit and Risk Management Committee since its establishment, overseeing financial reporting, risk management, internal control, compliance and assurance as GMB Water establishes itself as a subsidiary of Mount Barker District Council serving more than 15,000 household and business customers in one of South Australia's fastest growing regions.

Her board experience spans water, government business enterprises, national charities and industry associations. She is a Non-Executive Director of DV Safe Phone, a national charity, where she chairs the People and Culture Committee and is a member of the Audit and Risk Committee. Previous roles include Deputy Chair of Water Partners, Australia's only registered not-for-profit water broker, Director of LanguageLoop, a Victorian Government business enterprise, Non-Executive Director of Auscontact Association, where she chaired the Audit and Risk Committee and established its first audit and risk framework, and Non-Executive Director of Speech Pathology Australia.

Isabella is Founder and Executive Chair of Exceed Global, a national advisory and talent firm established in 2011 that works across utilities, government, financial services, telecommunications and health. Her executive career includes senior management roles at National Australia Bank. She is the author of Good to Great CX and Transform Customer Experience (Wiley) and a keynote speaker on customer experience and organisational transformation.

Isabella is a member of the Water Services Association of Australia Member Community, the Australian Water Association, where she is a mentor in the AWA 2026 National Mentoring Program, and Water New Zealand. She is a graduate of the Australian Institute of Company Directors (Order of Merit) and maintains current professional development in cyber security and artificial intelligence governance.

Susan Filby

Board Member, Audit and Risk Management Committee Member

Term Expires 30 June 2028



Susan is an experienced Non-Executive Director, former Executive of large business enterprises in diverse industry sectors, a Fellow of the Australian Institute of Company Directors and holds a Law Degree. Demonstrating strong, energetic and effective leadership in several Government and private sector utilities and service businesses, she has had a particular focus on corporate positioning, risk appreciation, financial sustainability, customer service performance, community interface and building owner returns and reputation.

Having worked in both State and local government, they have included publicly scrutinised and highly charged environments, high profile public asset and social licence management and mission-critical change. She has been actively involved in complex legal and regulatory service environments, which have demanded successful outcomes in strategic positioning and operational performance, pricing, sustainability, governance and compliance and regulator, stakeholder and customer engagement and relationships, including with the Essential Services Commission of South Australia (ESCoSA).

Susan has been appointed to a number of strategic and advisory Boards, including 10 years on the SA Water Board, the State Government Development Policy Advisory Committee (precursor to the Planning Commission), SA Financing Authority Advisory Board, Rural Solutions Advisory Board, Hills Transit Board and the Energy and Water Industry Ombudsman Board. She was also inaugural Chair of the SA Power Networks Customer Consultative Committee.

Brent Gimpel

Independent Audit and Risk Management Committee Member

Term Expires 30 June 2028



Brent is Head of Technology at ElectraNet, South Australia's electricity transmission network service provider and a nationally significant asset regulated under the Security of Critical Infrastructure Act. He leads technology strategy, cybersecurity, and AI capability for an organisation where operational resilience and risk management are core obligations rather than aspirations.

His career bridges management consulting and enterprise technology leadership, including earlier advisory roles at PwC spanning technology, risk, and transformation. He brings particular depth in cybersecurity governance, critical infrastructure risk, and the disciplined adoption of emerging technologies.

Brent also serves as a Non-Executive Director of YMCA South Australia, where he is a member of the Risk and Governance Committee.

Patrick Trainor

Independent Audit and Risk Management Committee Member

Term Expires 30 June 2030



Patrick has over twenty-five years' experience in general management and as a Director across the public and private infrastructure, construction and building sectors both in Australia and internationally. Patrick is a Chartered Professional Engineer, and holds a Bachelor of Civil Engineering, Masters' Degrees in Decision Analytics, Business Administration and Conflict Management, and a Graduate Diploma in Business Law. He is a Fellow of the Australian Institute of Company Directors, Fellow of Engineers Australia, and Fellow of the Governor's Leadership Foundation.

Patrick served as an Elected Member for eight years and Mayor of the City of Tree Gully until 2014, where he led the city through numerous complex organisational structure, planning and citywide issues. As the Director of Anson, for the past 20 years, he has demonstrated experience at engaging with stakeholders from the government and private sectors alike, to ensure effective and efficient project and corporate governance success.

Mark Davies

Independent Audit and Risk Management Committee Member

Term Expires 30 June 2028



Mark is a Chartered Accountant and former Chief Executive Officer in local government. With more than 30 years of experience in the public and private sectors he now provides financial management consulting advice to the local government sectors in South Australia and Victoria. Mark is currently the Chair of the City of Adelaide and City of Unley, Audit & Risk Committees. He is also a member of the Mount Barker District Council Audit and Risk Management Committee.

How the Committee Discharged its Responsibilities

Key Audit and Risk Management Committee Activities

ARMC Terms of Reference		Meeting Dates			Notes
Item	Description	OCT	FEB	MAY	
1	Financial Reporting				
1.1	Review Statutory Financial Statements	✓			1
1.2	Review Consistency of Financial Policies and Procedures	✓			
1.3	Review methods for significant or unusual transactions	✓			
1.4	Review performance of investments and borrowings	✓			
1.5	Outstanding Debtors (including charges)	✓			
1.6	Budget Review	✓	✓	✓	2
1.7	Comparison of Actual to Budget for Year Ending 30 June	✓			
2	Management Plans and Business Plans				
2.1	Review Strategic Plan			✓	
2.2	Review Business / Corporate Plan			✓	
2.3	Review Annual Business Plan and Budget		✓		
2.4	Review Long Term Financial Plan		✓		
2.5	Review Asset Management Plans		✓		
2.6	Review Annual Report	x			3
3	Risk Management				
3.1	Work Health Safety Update			✓	
3.2	Strategic Risk Register		✓		
3.3	Climate Change Mitigation / Adaptation			✓	
3.4	Cyber Security Uplift Program			✓	
3.5	Fraud and Corruption Control				4
3.6	Business Continuity Planning				4
3.7	Major / Strategic Projects – LWRP	✓		✓	
3.8	Major / Strategic Projects – Trunk Sewers		✓		
4	Control Framework				
4.1	Internal Controls framework, processes, systems review			✓	
4.2	Delegation management			✓	
4.3	Prudential Reports				5
5	External Accountability				
5.1	Management review of financial position and performance		✓		6
5.2	Review early close and year-end procedures			✓	
5.3	Review of cash management policies and procedures		✓		7
5.4	Review of Risk Cover and Insurances			✓	
6	Compliance, Ethics, Applicable Laws and Regulations				
6.1	Compliance monitoring system review				4
6.2	Behaviour and conduct policy and expectations, communication and compliance monitoring				4
6.3	Review complaint processes and procedures				4
7	Internal Audit				
7.1	Review of the Internal Audit Program			✓	
7.2	Monitor and review internal audit processes in context of 7.1				8
7.3	Receive and review Internal Audits with significant findings		✓		



ARMC Terms of Reference		Meeting Dates			Notes
Item	Description	OCT	FEB	MAY	
7.4	Meetings regarding internal audit review		✓		9
7.5	Review and comment on an annual report provided by the Chief Executive				10
8	External Audit				
8.1	Consider and make recommendations re appointment of external auditors				11
8.2	Meetings with External Auditors and review findings	x			12
8.3	Make recommendations on the annual external audit plan		✓		
8.4	Reviewing External Audit Management report and management's response	✓			13
9	Reporting Responsibilities				
9.1	Review annual work plan			✓	
9.2	Review Terms of Reference		x		14
9.3	Audit Committee Self-Assessment and annual report				15

NOTES:

1. MBDC Statutory Financial Statements provided as late addition to the agenda for October 2025 meeting
2. Quarterly Budget Review Information Reports
3. FY25 included in MBDC Annual Report and draft report not available at the time of the meeting so provided to the February meeting
4. Not programmed for 2025/26 financial year due to timing of committee appointment and only three meetings being held
5. No prudential reports received in the 2025/26 financial year
6. Included in budget review report
7. Covered by Treasury Management Policy endorsed out of session in late 2025
8. Internal audit program due to commence in 2026/27 financial year
9. No recent internal audits undertaken, draft plan presented for endorsement
10. Inaugural Annual Report to be produced for 2025/26 financial year
11. Not undertaken in the 2025/26 financial year
12. 2024/25 external audit was the responsibility of the MBDC Audit and Risk Committee
13. Report provided out of session
14. Terms of Reference approved by Council in August 2025 with review not due for 12 months
15. First self-assessment was completed at the end of the 2025/26 financial year

Key Activities and Achievements

Below is a summary of the Committee's key activities and areas where advice and guidance were provided to the Board. All Committee recommendations were adopted by the Board.

Policies and Frameworks

The Audit and Risk Management Committee reviewed a range of GMB Water's key governance and financial plans and policies to ensure they are fit-for-purpose and are aligned with strategic, financial and operational objectives. This review included:

- Accounting Principles Policy
- Budget Policy
- Draft Annual Business Plan 2026/27
- Draft Long Term Financial Plan 2026-2036
- Draft Strategic Asset Management Plan and Asset Management Plan 2026-2036
- Financial Sustainability Policy
- Infrastructure Fees and Augmentation Charges Policy
- Lead Policy – Financial Management
- Procurement Policy
- Prudential Management Policy
- Reserve Funds Policy
- Risk Management Policy and Framework
- Strategic and Commercial Partnerships Policy
- Treasury Management Policy

Strategic Plan

The inaugural Strategic Plan for GMB Water was received and endorsed for approval by the Board. The Committee commended the GMB Water team on the quality of the Plan, noting it is well pitched, appropriate and sufficiently detailed and is suitable to be a public facing document.

Draft Financial Statements FY26 and Annual Report

The Audit and Risk Management Committee oversaw the completion of GMB Water's 2025/26 financial reporting cycles, including review of the General Purpose Financial Reports and Annual Report. The Audit and Risk Management Committee received and considered the external audit report from Bentley's, which confirmed the financial statements fairly present the GMB Water position and identified no significant deficiencies, fraud or compliance issues.

The Audit and Risk Management Committee noted that financial ratios are currently outside of targets, however the Committee still recommend the Board adopt the financial statements.

Throughout the year the Committee also reviewed budget reviews and confirm that requirements of the Local Government Act have been met.

Major / Strategic Projects

The Audit and Risk Management Committee has received and reviewed progress reports for both the Laratinga Water Recovery Plant (LWRP) project and Trunk Sewers Program of works. The Committee were comfortable that there is sufficient project governance in place following the establishment of the LWRP Steering Group but asked that future reports also include assurance statements from subject

matter experts engaged to support the GMB Water team with delivery of the LWRP project given its scale and importance to support the Committee in discharge of its remit. No concerns were raised in regard to the Trunk Sewers Program of works.

Internal Audit Plan and Internal Auditor Procurement

The Audit and Risk Management Committee reviewed and endorsed the Internal Audit Charter and proposed a three year Internal Audit program for GMB Water. The Committee was kept informed of progress with engagement of a panel to undertake internal audit and approved the internal audit topics for the 2026/27 financial year. The Committee are of the view that the process followed to procure a panel and establish an audit program has been thorough and well considered.

Risk Register and Emerging Risks

The Audit and Risk Management Committee received and reviewed the GMB Water strategic risk register produced following a Board Risk workshop held in February 2026, noted current operational and major / strategic project risk registers and noted the status of actions planned or in progress to mitigate identified risks.

Any new or emerging risks, or identified risks with a change in residual risk, were reported through the Audit and Risk Management Committees during the year.

Other topics

During its first year of operation the Committee also received papers covering the following topics, some to ensure all areas of remit were covered and some to provide additional information to the Committee to ensure knowledge across areas unfamiliar to those without a local government background:

- Annual Service Charges
- Budget development and budget review process
- Cyber Security
- Artificial Intelligence
- Delegation Management
- Internal Financial Controls
- Methods for significant or unusual transactions
- Outstanding and sundry debtors
- Performance of investments and borrowings
- Regulatory and compliance updates
- Risk Cover and Insurances
- Work Health and Safety

Audit and Risk Management Committee Performance Evaluation

The Committee recently completed its annual self-assessment, reviewing both its collective skills and overall performance. This evaluation involved all Committee members and considered a range of factors including:

- Meetings and agendas
- Discharging of remit in accordance with the Terms of Reference
- Internal relationships, knowledge and composition
- External relationships and impact with the Board and within GMB Water
- Their individual knowledge
- Understanding and awareness of external influences and impacts
- Broader contribution to the organisation.

The self-assessment responses are mostly positive with 24 of 38 questions receiving ratings of 'agree' or 'strongly agree' by individual members. A further 7 of 38 received ratings of between "neutral" and 'agree'.

The areas receiving a lower score pertain to:

- ARMC understanding and awareness; and
- ARMC broader contributions.
- Both these areas received a wide spread of rankings across all statements.

The question relating to ARMC contribution to the Annual Business Plan process within the appropriate timeframe for reporting is rated as not applicable / unable to score as it was acknowledged this was not undertaken this financial year and the question was therefore not included in the survey.

No common themes for areas of improvement were identified in the comments received however the suggestions on improvements for meetings and agenda items will be acted upon with several comments noting this is the first year of operation of the ARMC.

Interest was also expressed in:

- A visit or visits to the Laratinga Water Recovery Plant project
- Further information on the GMB Water regulatory environment and framework the organisation operates within.

Stakeholder assessment and feedback on the Committee was generally less positive than the ARMC Members self-review however a number of Stakeholders either declined to complete the survey or completed the survey with all or majority "Not applicable / unable to assess" responses noting they had had little or no interaction with the Committee during the 2025/26 financial year and so were unable to provide an informed assessment. This is another area for improvement identified for the 2026/27 financial year.

By reflecting on the outcomes of this self-assessment, issues identified are currently being actively addressed and the Committee will refine its practices and strengthen the value it brings to GMB Water.

Audit and Risk Committee Skills Assessment

In addition to the self-assessment survey, the Committee undertook a skills self-assessment. This assessment evaluated each member against the competencies prescribed in the GMB Water Audit and Risk Management Committee Terms of Reference and the requirements of the applicable legislative framework. The outcomes provide assurance that the Committee maintains the necessary expertise to discharge its responsibilities effectively and to support strong governance across GMB Water. As far as practicable MBDC must ensure that the Committee collectively possesses the following skills and experience:

Audit and Risk Management Committee Skills Matrix

Required Committee Skill	IV	SF	BG	PT	MD
Financial Management					
Understanding of the field of accounting,	✓✓	✓✓	✓✓	✓✓	✓✓✓
Understanding of Financial Reporting	✓✓✓	✓✓	✓✓	✓✓	✓✓✓
Understanding of Internal Controls	✓✓✓	✓✓	✓✓✓	✓✓	✓✓✓
Knowledge of Relevant Accounting Standards	✓✓✓	✓✓	✓	✓	✓✓✓
Able to contribute to the oversight of budgeting and long-term financial planning	✓✓✓	✓✓	✓✓	✓✓✓	✓✓✓
Holds a formal qualification in accounting, finance or internal audit	✓	✓	✓	✓	✓✓✓
Holds a professional membership in accounting, finance or internal audit	✓	✓	✓	✓	✓✓✓
Risk Management					
Experience in systematic risk identification, evaluation, assurance, monitoring and review of key business risks	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓
Governance					
Understanding of Governance Matters	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Local Government					
Experience with Local Government in South Australia	✓	✓✓✓	✓✓	✓✓✓	✓✓

Audit and Risk Management Committee Qualities and Personal Attributes Assessment

Quality or Attribute	Achieved?
Age Diversity - Committee is comprised of individuals that bring a range of perspectives and opinions from different generations	✓
Commitment to role - As well as core responsibilities, members have a presence within the Authority and attend associated industry and stakeholder events	✓
Cultural Diversity - Committee is comprised of individuals with backgrounds that align with the Authority's geographic presence	✓
Education - Committee is comprised of individuals with varied educational backgrounds	✓
Gender Diversity - Committee is comprised of a balance of gender diversity this is in line with best practice expectations (at a minimum 30% are female)	✓
Tenure Spread - Committee has a process that results in retention of corporate knowledge with sufficient refreshment and renewal in accordance with the Authority's Charter	✓

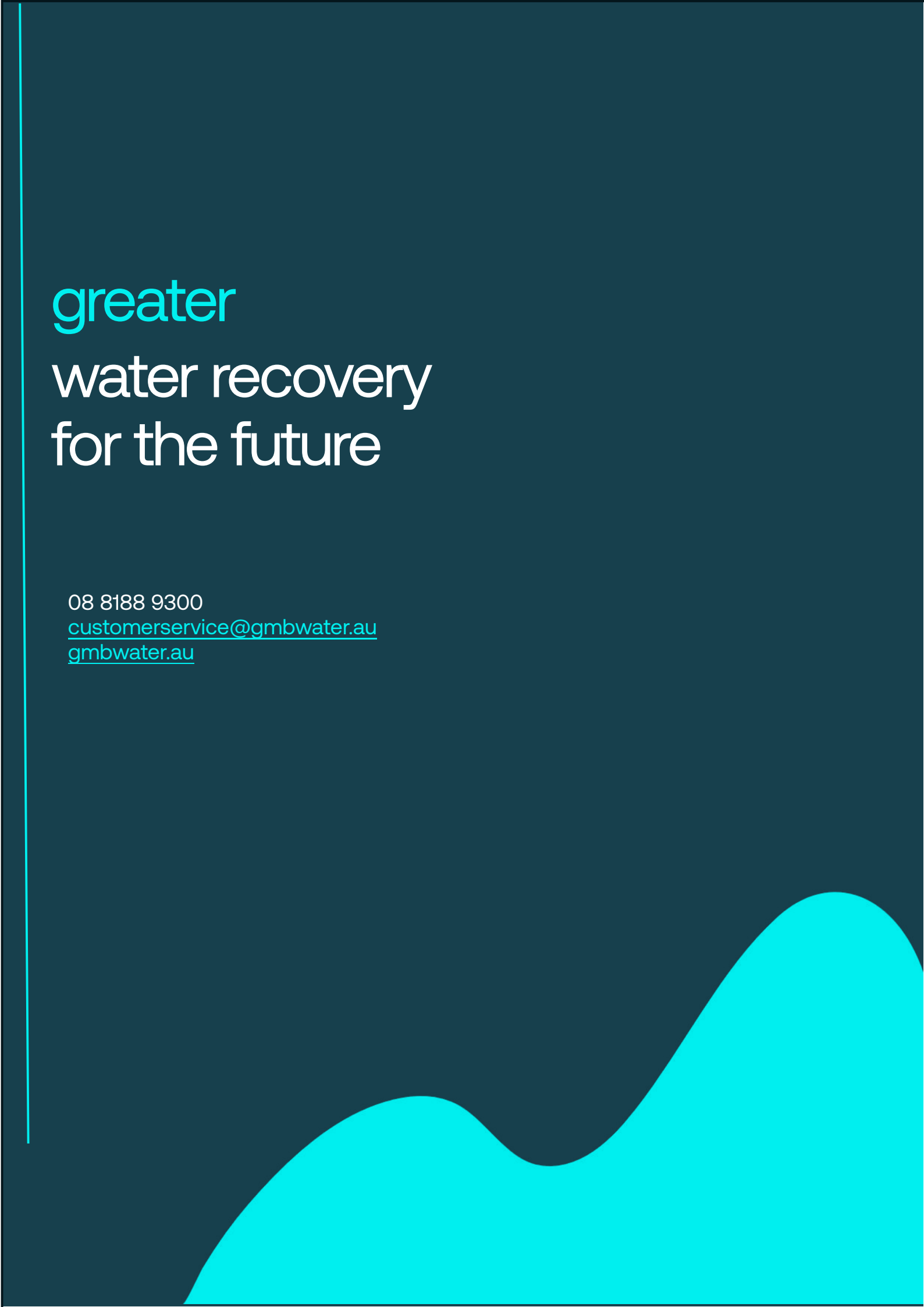
Plans for 2026/27

The Audit and Risk Management Committee Work Plan for the 2026/27 fiscal year has been developed to align with GMB Water's strategic objectives and to ensure robust oversight of GMB Water's functions as per the Committee's Terms of Reference.

Audit and Risk Management Committee Work Plan 2026/27 Financial Year

ARMC Terms of Reference		Meeting Dates			
Item	Description	SEP	NOV	FEB	MAY
1	Financial Reporting				
1.1	Review Statutory Financial Statements				
1.2	Review Consistency of Financial Policies and Procedures				
1.3	Review methods for significant or unusual transactions				
1.4	Review performance of investments and borrowings				
1.5	Outstanding Debtors (including charges)				
1.6	Budget Review				
1.7	Comparison of Actual to Budget for Year Ending 30 June				
2	Management Plans and Business Plans				
2.1	Review Strategic Plan				
2.2	Review Business / Corporate Plan				
2.3	Review Annual Business Plan and Budget				
2.4	Review Long Term Financial Plan				
2.5	Review Asset Management Plans				
2.6	Review Annual Report				
3	Risk Management				
3.1	Work Health Safety Update				
3.2	Strategic Risk Register				
3.3	Climate Change Mitigation / Adaptation				
3.4	Cyber Security Uplift Program				
3.5	Fraud and Corruption Control				
3.6	Business Continuity Planning				
3.7	Major / Strategic Projects – LWRP				
3.8	Major / Strategic Projects – Trunk Sewers				
4	Control Framework				
4.1	Internal Controls framework, processes, systems review				
4.2	Delegation management				
4.3	Prudential Reports	As required			
5	External Accountability				
5.1	Management review of financial position and performance				
5.2	Review early close and year-end procedures				
5.3	Review of cash management policies and procedures				
5.4	Review of Risk Cover and Insurances				
6	Compliance, Ethics, Applicable Laws and Regulations				
6.1	Compliance monitoring system review				
6.2	Behaviour and conduct policy and expectations, communication and compliance monitoring				
6.3	Review complaints processes and procedures				

ARMC Terms of Reference		Meeting Dates			
Item	Description	SEP	NOV	FEB	MAY
7	Internal Audit				
7.1	Review of the Internal Audit Program				
7.2	Monitor and review internal audit processes in context of 7.1				
7.3	Receive and review Internal Audits with significant findings				
7.4	Meetings regarding internal audit review				
7.5	Review and comment on an annual report provided by the Chief Executive				
8	External Audit				
8.1	Consider and make recommendations re appointment of external auditors				
8.2	Meetings with External Auditors and review findings				
8.3	Make recommendations on the annual external audit plan				
8.4	Review External Audit Management report and management's response				
9	Reporting Responsibilities				
9.1	Review annual work plan				
9.2	Review Terms of Reference				
9.3	ARMC Self-Assessment and annual report				
NOTES: 1. Timing for some matters is not yet known and will be dependent upon other circumstances, e.g. timing of receipt of reports from external parties 2. Special Audit and Risk Management Committee Meetings held if required 3. Item 2.2 removed – Corporate Plan is not required under the Mount Barker Region Wastewater Utility Charter and Business Plan is covered under item 2.3					



greater water recovery for the future

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