

**AUSTRALIAN
WATER**
ASSOCIATION

Australian Water Association Limited

Annual Report for the Year Ended 30 June 2020

ABN 78 096 035 773

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The directors of Australian Water Association Limited (“the company”) submit herewith the annual report of the company for the financial year ended 30 June 2020.

Information about the Directors

The names of the directors of the company during or since the end of the financial year are:

Ms Carmel Krogh OAM

Mr Peter Dennis

Ms Louise Dudley

Mr Daniel Sullivan

Mr Francois Gouws

Dr Jeremy Lucas

Dr Sandra Ridge

Mr Jim Athanopoulos

Prof Jurg Keller

Directors have been in office since the start of the financial year to the date of this report.



President

Ms Carmel Krogh OAM

(Began Presidency in May 2019)

Board Sub-Committees

Succession Planning Committee (Chair)

International Programs Committee

Networks & Collaboration Committee

Qualifications

BE (Civil), MEng, MBA, Grad Dip LGE, GAICD, PMAWA

Other Positions

Sole Trader, Carmel Frances Krogh

Non-Executive Director, Water Utilities Australia MidCo Pty Ltd - Private Water Company

Non-Executive Director, Water Utilities Australia TopCo Pty Ltd - Wholly owned subsidiary of WUA MidCo

Director, WaterAustralia Solutions Limited



Mr Francois Gouws

Board Sub-Committees

International Programs Committee (Chair)
Succession Planning Committee

Qualifications

MBA, BSc (Hons), BCom, NHD Mech Eng, FAICD, AFIEAust, EngExec, NER, PMAWA

Other Positions

Managing Director, TRILITY Group Pty Ltd and its wholly owned subsidiaries which includes: TRILITY Pty Ltd
Chairman & Director, Hydramet Pty Ltd
Chairman & Director, Macarthur Water Pty Ltd
Chairman & Director, Yan Yean Water Pty Ltd
Director, Helena Water Group of Companies
Chair, AdelaideAqua Pty Ltd
Chair of Water Taskforce, Infrastructure Partnerships Australia
Director, WaterAid Australia
Director, WaterAustralia Solutions Limited
Trustee - CEDA (Committee for Economic Development of Australia)



Ms Louise Dudley

Board Sub-Committees

Governance & Audit Committee (Chair)

Qualifications

B Com, CA GAICD, PMAWA, CompIEAustEngExec

Other Positions

CEO, Queensland Urban Utilities
Director, WSAA (Water Services Association of Australia)
Trustee, LMD Holdings
Trustee - CEDA's Queensland State Advisory Council (Committee for Economic Development of Australia)



Prof Jurg Keller

Board Sub-Committees

Digital Strategy Committee (Chair)
Networks & Collaboration Committee (Chair)
Succession Planning Committee

Qualifications

BE (Chemical Engineering), PhD, FTSE, FIWA, PMAWA

Other Positions

Deputy Director Research, Advanced Water Management Centre, The University of Queensland
Co-proprietor, Keller-Lehmann Family Trust



Dr Jeremy Lucas

Board Sub-Committees

Honours & Awards Committee (Chair)
Governance & Audit Committee

Qualifications

BSc (Hons), PhD, MEng, GAICD, PMAWA

Other Positions

Customer & Business Systems Manager, SA Water



Mr Jim Athanasopoulos

Board Sub-Committees

Honours & Awards Committee
Digital Strategy Committee

Qualifications

Bachelor of Engineering (Hons) in Chemical Engineering from University of New South Wales (UNSW), 1992

Master of Management from Macquarie Graduate School of management (MGSM), in 1999 (Finance and Marketing majors)

Graduate of Australian Institute of Company Directors (AICD), in 2012

Other Positions

Managing Director, Xylem Oceania
Council Committee Member, Pump Industry Australia (PIA)



Mr Peter Dennis

Board Sub-Committees

Succession Planning Committee
Governance & Audit Committee
Networks & Collaboration Committee

Qualifications

Bachelor of Engineering (Chemical) Honours Class 1, University of Newcastle 1989

Master of Environmental Studies University of Newcastle 1993

Postgraduate Diploma of Management, Deakin University 1997

Corporate Directors' Diploma (with High Distinction), University of New England 2005

Other Positions

Managing Director, Hunter H2O
Board Member, Mackay Regional Council Water and Waste
Director, LGP NSW



Mr Daniel Sullivan

Board Sub-Committees

International Programs Committee
Digital Strategy Committee

Qualifications

MBA, Bachelor of Commerce

Other Positions

General Manager, Iota Services



Dr Sandra Ridge (Hall)

Board Sub-Committees

Governance & Audit Committee
Honours & Awards Committee
Networks & Collaboration Committee

Qualifications

Doctor of Philosophy (Environmental Biotechnology), The University of Queensland, 2003

Bachelor of Applied Science (Biotechnology), The University of Queensland, 1998

Other Positions

Operations and Business Development Manager, Advanced Water Management Centre, University of Queensland

President's Message



Although the 2019/20 financial year will be forever cloaked in the shadow of COVID, it is important to view the whole year as one with multiple and compounding challenges. Whilst the impact of COVID has reached every corner of our country, many local communities had already been devastated by floods, drought and bushfires. In all of these challenges, the water sector has played a key role, displaying resilience and sheer determination to meet the needs of individuals, towns and cities. As National President, I take great pride in the contribution of the members of the Australian Water Association to meet the past and ongoing challenges.

It has been a year of both planned and unplanned changes for the Association. The Board commenced the recruitment process for a new CEO late in 2019 with the clear vision of a seamless transition in 2020. The global pandemic threw out all our good plans to farewell our outgoing CEO Jonathan McKeown in May and welcome our new CEO Corinne Cheeseman at the intended Ozwater'20 in Adelaide. I never imagined that I would be delivering my Ozwater'20 President's Address at a virtual event from my home in regional NSW! I want to acknowledge Jonathan for his absolute commitment to the strengthening of the Association and his unwavering support for the future of a sustainable water industry over the last 7 years. I would also like to acknowledge both Jonathan and Corinne for rising to the challenges of a very different transition and handover strategy.

The 2019/20 year saw the commencement of a number of initiatives as part of our new Strategy'22. As I reflect on the last 12 months, I have pondered our 3 strategic goals through a different lens.

These goals:

- › **To Strengthen Partnerships**
- › **Extend our Reach, and**
- › **Promote Diversity and Inclusion**

are more relevant than ever and we have used them to adapt and respond to the changing environment. The Association's staff and volunteers have worked together through difficult times to reach for these goals and I am so very grateful for the commitment and hard work that has sustained the Association.

I want to thank my fellow Board members for their support over this year. The shock impact of COVID has given us some testing times and much soul searching, and I have appreciated the strengths provided by each of them.

Events this year have also given us cause to reflect on the proud history of the Association. Over our 58-year history, we have awarded our highest honour (the Frank Goffin Exceptional Service Award) to 6 members, one of which was Frank Bishop AM. Frank provided more than 50 years of active service to our Association and he sadly passed away in August last year at the age of 95. In August this year, we also lost John Parker, one of our Lifetime Achievement Award winners. John was an AWA member since 1973 and was made a life member for his contribution to the Association in 2003. Reflecting on the lives and contribution of these two icons of our Association provides an inspiration to us all. It is our responsibility to carry on their legacy.

This legacy is based on our desire to be involved in an industry that is such a vital aspect of a society but often its importance is not recognised until there is a disaster. Despite the fact that the community may take water for granted, I think that we seem to thrive on the 24/7 nature of our industry and our ability to quietly go about our business while we strive for a sustainable water future. We quite rightly set ourselves a very high bar as we recognise the essential nature of our work in maintaining and shaping our society.

The devastating impacts that we have had from drought, floods, fires and now a pandemic has shaken many standards and beliefs. They have also shown us some of the best and worst of ourselves in a way that can be overwhelming. But I have great faith in our industry and the Association is committed through our digital channels, events and programs to showcase the great examples of just how much the water sector is responding to the challenges of our times.

Our industry's ethos of co-operation is exemplified in the way our staff, volunteers, and our members have been able to respond to these unprecedented times and deliver member services in a different way. The courage and commitment to do this has truly been an inspiration and has set the Association up well for further positive transformation. There is much work to do to become more adaptable and resilient but I think that we all love the thought of that challenge!

So, that's what your Association is all about - to share, connect and inspire. We will strive to do that in many shapes and forms and from a multitude of places. It is fitting that I close this message by borrowing the words of Frank Bishop AM when he reflected on his involvement in the Association - "It hasn't just been hard work. We managed to have quite a lot of fun too". Let's hope that we can echo those words in the coming year.

Carmel Krogh OAM
President

CEO Message



This year in Australia, we have gone from one crisis to another – drought, bushfires, floods and then COVID-19. In these extraordinary times, we have seen strength come from adversity, challenges turned into opportunities and a much stronger connectedness in our communities.

During these challenging times, the water industry didn't stop. At the very core of what our members do is the protection and preservation of public health. Our members provide an essential service – quality water and wastewater services to our communities and protecting the environment – every single day. First and foremost I would like to thank all of our members for the work you do everyday and your continued support of the Australian Water Association in these challenging times.

Commencing as CEO in May of this year and during a pandemic was certainly challenging, but the Association has been more fortunate than many others in that our financial position leading into the pandemic was strong, enabling us to weather the financial storm that the end of financial year certainly brought. I would like to thank and recognise the previous CEO, Jonathan McKeown for his and the team's work in progressing key projects and outcomes that strengthened our position. This includes our digital platforms that have served our members well, particularly as we all moved online, the International Program which has diversified our traditional revenue base, and the work of our board, branches, specialist networks and committees who deliver benefits for our members in the form of events, networking and B2B opportunities.

A recent report on the impact on associations from COVID-19 showed that more than three quarters (78%) of associations have seen a decrease in revenue since March 2020 (where 62% of associations reported growth in revenue in the previous 12 months)*. The report also highlighted that event and conference revenue has taken the biggest hit, however revenue is falling across multiple streams and while many have transitioned quickly to online events, this revenue stream is lower.

These findings have certainly been reflected in the Association's financial outcome for this year, with an overall reduction in revenue of 37%. This was largely driven by the fact that the Association's premier event, Ozwater could not proceed face-to-face due to COVID-19 and components of our highly valued International Program were delayed due to the travel restrictions in place. These financial impacts occurred in the final quarter of the financial year with limited opportunity or scope to minimise these impacts. As a result, our 19/20 financial position is a deficit of \$1,015M, down 214% on 18/19.

As I noted earlier, challenges bring opportunities and while it is not easy to report this financial outcome, I am confident that the Association's future will be strong based on the outcomes we were still able to achieve.

Member Engagement

The various crises of this year provided the Association with unique opportunities to engage with our 5,126 members. This started with consultation and collaboration on the impacts of the bushfires and in-depth discussions on recommendations for the future. When COVID-19 hit, our President Carmel Krogh OAM was invited to join the Utilities Work Stream, an industry advisory group reporting to the COVID-19 Coordination Commission, who then advised National Cabinet. Member consultation resulted in a submission to government on 'Recommendations for Increasing Immediate Employment and Economic Activities by the Water Industry'.

Events & the Digital Transformation

Our digital event transformation kicked off with Ozwater'20 Online – a transformation that occurred in 6 weeks and resulted in an 8-day program across the month of June, featuring 214 presenters across 34 streams, 63 exhibitors and 1,004 delegates. This meant that we could continue to inspire a thirst for action in the water sector with the sharing of so much knowledge and expertise, in an online format. This set the Association up well for continuing to offer quality online events while face-to-face gatherings were not possible and will be a key part of our member engagement strategy moving forward. Our technology partner, Jomablue, who have been a long-term partner of the Association built the bespoke platform. Prior to the move to online events, the Association successfully delivered 88 face-to-face events throughout the year, largely driven by our branches.

International Program

AWA's International Program has shown resilience in the face of COVID-19, with projects transitioning to digital communication platforms from March 2020. The digital transition enabled the Association to extend our reach and grow our member offerings across South East Asia, including a new program that connected Australian water utilities and the research community with international utilities to share experiences and resources in responding to COVID-19. Other highlights of the International Program included the first Australian delegation to both Cambodia & Indonesia for their respective water and wastewater conferences, an enhanced Water Utility Improvement Program with 13 utilities involved across Vietnam, Cambodia and Indonesia, and 3 new small-scale drinking water treatment systems installed in rural Vietnam.

Celebrating Community & Achievements

Key programs such as National Water Week reached the community and spread important water literacy messages, largely linked to the Sustainable Development Goals. The Australian Water Awards saw a 31% increase in entries from our members with 10 outstanding winners announced. A highlight in August 2019 was when Macinley Butson, our Australian Stockholm Junior Water Prize winner took out the highly coveted International Stockholm Junior Water Prize – the first time an Australian has won this award.

Diversity & Inclusion

From a diversity and inclusion perspective, one of our focus areas 'Indigenous Water' really came to life with the launch of our Talking Water video series, led by the NT Branch and featuring Aboriginal elders and custodians from Central Australia. We are looking forward to this series continuing in the future, in partnership with the Water Services Association of Australia.

Extending our Reach through our Digital Channels

Every week we share the latest industry insights with 11,112 digital subscribers. The reach of our channels continues to grow with Water Source achieving a record 452,501 page views in the year, our videos viewed 19,281 times and our podcasts downloaded 6,219 times. Twenty eight technical papers were published with a combined 16,434 views.

While this year has been challenging from a financial perspective, the Association's focus in 20/21 will be harnessing the opportunities of our digital transformation to enhance our member experience, diversifying our revenue, and improving our financial performance. It is a privilege for me to be leading the Association at a time where our value proposition is more relevant than ever – share – connect – inspire.



Corinne Cheeseman
CEO

* Australian Association Sector COVID-19 Impact Survey Report 'Finding Opportunity in Crisis' Report, June 2020

Our Purpose

Inspire and drive a sustainable water future.

As Australia’s biggest water network, the Australian Water Association aims to drive prosperity and sustainability by providing individuals with career enrichment and organisations with business opportunities as we:



**information and
knowledge**



**members with industry
and stakeholders**



**positive
change**

Our members come from across the water sector including utilities, scientists, government, research and academia, energy and resources, manufacturing and agriculture.

Strategy’22

A strategic plan for the Australian Water Association 2019–2022.

Strategic Goal 1 Partnerships

Focus Areas

1. Technology Partnerships

Technology partnerships to enhance engagement between staff, volunteers and members including a new CRM to increase effectiveness.

2. Governments & Stakeholders

Consolidating our partnerships with Commonwealth and State Governments and industry allies (member organisations, universities and community groups) on programs, information and activities.

3. Sustainable Development Goals

Facilitate partnerships to deliver projects on the Sustainable Development Goals in Australia, SE Asia, and the Pacific.

4. Asia-Pacific

Strengthen our partnerships across the Asia-Pacific Region for trade and promotion of Australian water expertise.

Strategic Goal 2 Extending our Reach

Focus Areas

5. Community Engagement

Develop a two-way conversation with the community to enhance water literacy and positive community engagement through our digital platforms, publications, Branches, Specialist Networks, events, and other activities.

6. Model to Extend Reach

Review our model of membership, Branch, and Specialist Networks to enable the extension of our reach.

7. Urban, Remote & Rural

Understand the needs of our urban, remote and rural members to better engage with them through our digital platforms, events and other activities.

8. Other Industry Sectors

Engage with other industry sectors with a strong connection with water through our Branches, Specialist Networks, events, and other activities.

Strategic Goal 3 Diversity & Inclusion

Focus Areas

9. Indigenous Water

Develop activities to improve understanding of our indigenous water culture including the facilitation of an Association Indigenous Reconciliation Action Plan.

10. Innovation

Promote the innovations in management, projects, and outcomes achieved by our members and by leveraging our Specialist Networks.

11. Channeling Change

Broaden our Channeling Change Program to incorporate a new range of activities to promote diversity and inclusion.

12. Young Water Professionals

Review and enhance our YWP activities to encourage greater involvement of YWPs from across the water sector.

Year in Review: Strategy’22 Progress

Click [here](#) to view the Association’s Strategy’22 highlights for this financial year.

Financial Performance

The Association has been significantly impacted by the COVID-19 pandemic and suffered a substantial loss of more than (\$1M) in the year ended 30 June 2020. This was due to COVID-19 government restrictions prohibiting our largest event and exhibition Ozwater'20 proceeding in May. The Association transformed this event and exhibition into a digital format in a matter of weeks and also reviewed and cut back on other budgeted expenditure to minimise the impact on our financial position. However, as the loss of this single event (which typically provides approximately 40% of our total revenue) occurred in the last quarter of the financial year, the impact was significant.

Financial performance for the year ended 30 June 2020:

- › Operating Deficit: \$1,015K, down 242% on 2018/19.
- › Total Revenue: \$5,317K, down 37% on 2018/19.
- › Total Expenses: \$6,332K, down 19% on 2018/19.

Our 5-year financial performance summary detailed below:

\$'000	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue	\$7,195	\$7,696	\$8,050	\$8,507	\$5,317
Operating Expenses	\$7,513	\$7,461	\$7,418	\$7,792	\$6,332
Operating Surplus / (Deficit)	(\$318)	\$235	\$632	\$715	(\$1,015)

Our Balance Sheet remained strong with net assets worth \$3,752K (total assets of \$6,898K less total liabilities of \$3,146K). This was largely due to a stable capital structure, and income generating assets. This should ensure the sustainable financial health of the Association in the longer term.

The Association's move to digital events and a focus on member engagement (through representation opportunities such as the COVID Commission) has enabled the Association to sustain its membership base. Through diversification of revenue and managing costs, the Association is focussing on business sustainability by continuing our digital transformation and member engagement in the year ahead.

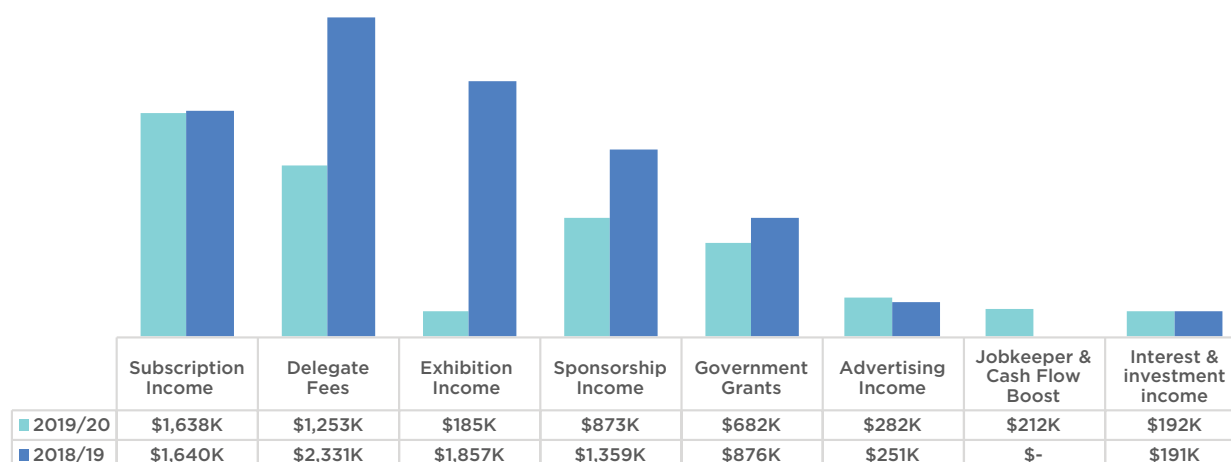
Revenue Summary

The gross revenue for the year ended 30 June 2020 was \$5,317K and the main sources were membership subscriptions, International Program and event generated delegate, exhibition and sponsorship income.

The overall event generated revenue has decreased by 58% as Ozwater'20 was held digitally and other events that were scheduled in the second half of the year had to be cancelled.

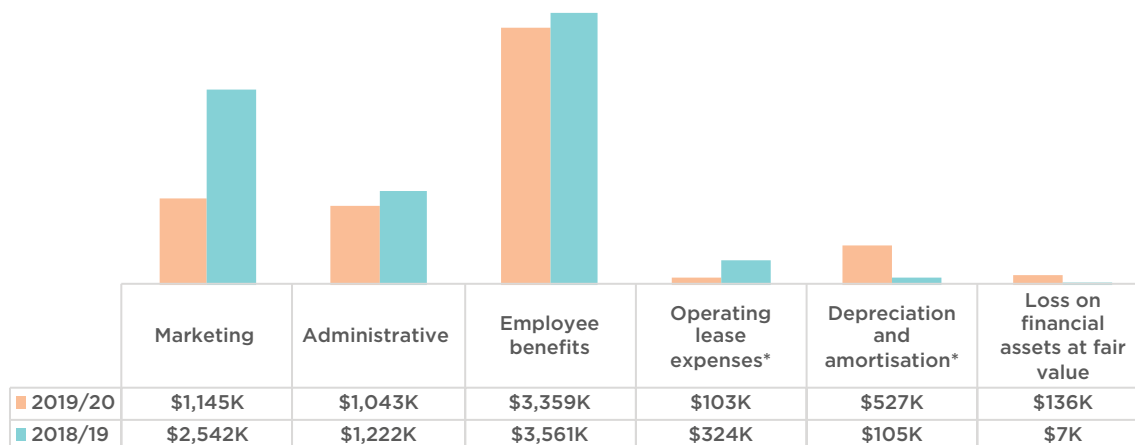
The International Program revenue was down by 22% against budget due to delay of travel-tied milestones as a result of COVID-19.

Membership subscription revenue remained steady.



Operating Expense Summary

The operating expenses for the year ended 30 June 2020 was \$6,332K which is down by 19% from 2018/19. This is mainly driven by cancelled events and a focus on reducing operating costs.



*The Sydney office rental cost is now classified as amortisation due to adoption of new accounting standard AASB 16.

Key Performance Measures

Our financial performance and financial sustainability is presented through the following industry accepted ratios.

Key performance measures	Type	2019/20	2018/19
¹ Return on assets (Net Profit/Total Assets)	Profitability	-15%	10%
² Return on equity (Net profit/Total Equity)	Profitability	-27%	15%
³ Current ratio (Current Assets/Current Liability)	Liquidity	1.7	2.3

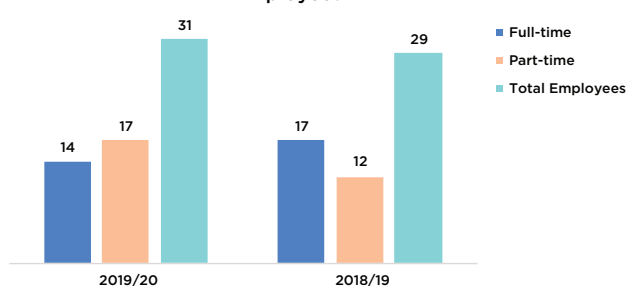
¹ Return on assets is an indicator of how profitable our Association is relative to our total assets.

² Return on equity measures profitability by comparing the profit generated against the capital investments.

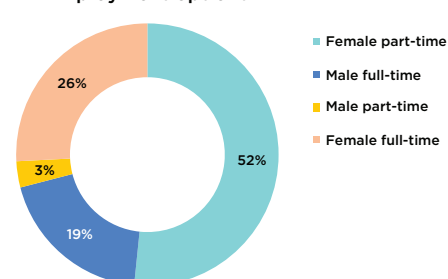
³ Current ratio indicates the extent to which current liabilities can be paid off through current assets.

Our Workforce Profile

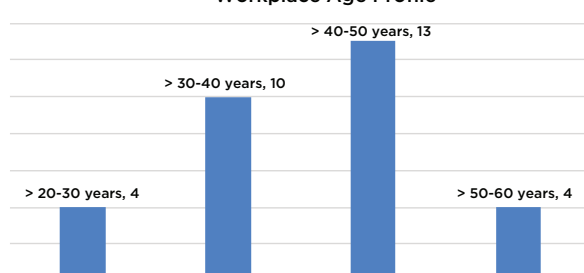
Employees



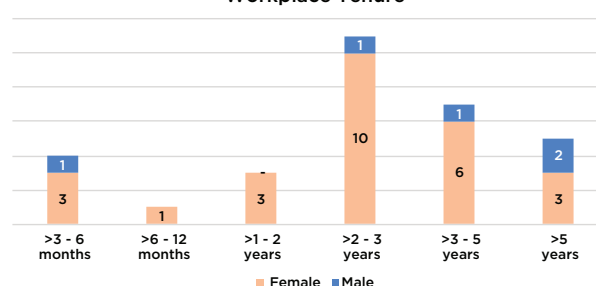
Employment options



Workplace Age Profile



Workplace Tenure



Directors' Report

30 June 2020

Introduction

The financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not for Profit Commission Act 2012 and Australian Accounting Standards Reduced Disclosure Requirements and comply with other requirements of the law.

This guide has been prepared to assist readers understand and analyse the Financial Report.

What is included in the Financial Report?

The Financial Statements report on how the Australian Water Association performed financially during the 2019/2020 financial year and the overall financial position at the end of the financial year (30 June 2020).

The Financial Statements include:

- › Statement of Profit or Loss and Other Comprehensive Income
- › Statement of Financial Position
- › Statement of Changes in Equity
- › Statement of Cash Flows
- › Notes to the Financial Statements

The Financial Statements are prepared by management, reviewed by the Governance and Audit Committee who make a recommendation to the Australian Water Association Board for approval, and audited by Bentleys NSW Audit Pty Ltd.

Statement of Profit or Loss and Other Comprehensive Income

The Statement of Profit or Loss and Other Comprehensive Income itemises income earned and expenditure incurred in delivering Australian Water Association's services during the year, to give the total consolidated result for the year.

The operating expenses do not include capital purchases for the upgrade of our Sydney office. However, it does include depreciation and amortisation, which is a provision for the value of assets 'used up or consumed' during the year. The statement is prepared on an accruals basis and includes both cash and non cash items. All income and expenses for the year are reflected in the statement, even though some revenue may not yet be received and some expenses may not yet be paid (where the goods and services are received but the suppliers' invoices are not yet paid).

The key figure to assess financial performance for the year is the profit for the year, which is calculated by deducting the total operating expenses for the year from total operating revenue. It is important to note however, that the profit for the year is not necessarily a 'cash' surplus due to the recognition of non cash items as explained above.

Australian Water Association is a not for profit entity and generates an annual profit in order to ensure future financial sustainability.

Statement of Financial Position

The Statement of Financial Position is also known as a Balance Sheet and is a snapshot of our financial position as at 30 June. It outlines what we control as assets (such as cash and property), what we owe as liabilities (such as amounts owed to creditors) and the equity or net worth at the end of the year.

The assets and liabilities are separated into current and non current sections. 'Current' generally means those assets that will be received, or liabilities that will be paid, within the next 12 months. 'Non current' refers to those assets and liabilities that are held for a longer term. The net current assets or working capital is an important measure of our ability to meet our debts as and when they fall due.

The equity section of the Statement of Financial Position shows the contributed equity from the registration of Australian Water Association on 27 February 2001, the total of the retained earnings (profits) that have accumulated and the amount by which the assets have been revalued since establishment. The total of the equity section represents our net financial worth.

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in our net financial worth during the financial year. Net worth can change as a result of a profit or loss as recorded in the Statement of Profit or Loss and Other Comprehensive Income or a change in the net value of non current assets resulting from a revaluation or an impairment of those assets.

There has been a restatement processed at 1 July 2019 due to a retained earnings adjustment required under the adoption of AASB 16: Leases.

Statement of Cash Flows

The Statement of Cash Flows shows all cash amounts received and all cash payments made during the year that make up the change in our bank balance during the financial year.

The cash flows are separated into three different types of activities:

- › Operating activities are those cash receipts and payments arising from delivery of our services. The net cash provided by operating activities is an important result in the statement, as it shows our ability to generate a cash surplus, which can then be used to fund the purchase, construction or renewal of long term assets, such as property and infrastructure and to repay borrowings. This should be a positive amount.
- › Investing activities are those cash receipts and payments arising from the purchase, renewal, upgrade, expansion and sale of non current assets.
- › Financing activities are those relating to the lease liability outflows for the rental lease due to the implementation of AASB 16: Leases.

Notes to the Financial Statements

The notes to the Financial Statements provide greater detail to support the figures used in the four main statements and should be read in conjunction with the statements to obtain a clearer picture of our finances. The notes give the details behind the summary line items contained in the statements, showing what makes up each of the accumulated amounts.

The notes also provide information on the accounting policies and assumptions used to prepare the financial statements, advise the reader about any changes to the Australian Accounting Standards, policy, or legislation, which may affect the way the statements are prepared and disclose other information that cannot be incorporated into the statements and provide analysis if there has been a significant change from the previous year's comparative figures.

Independent Auditor's Report

The Independent Auditor's Report is the external and independent opinion of Bentleys NSW Audit Pty Ltd to provide the reader with an independent view about Australian Water Association's compliance with the statutory and professional requirements, as well as, the fairness aspects of the report.

Other Items

Significant Changes in State of Affairs

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. While COVID-19 is a health crisis, it has caused socioeconomic disruption on a global scale. The Company has considered the impact of COVID-19 when preparing the financial statements and related note disclosures. The widespread outbreak of COVID-19 has impacted the normal course of operations during the financial year, and the impact continues to evolve at the date of this report.

Other than the above, there have been no significant changes in the state of affairs of the Company during the financial year.

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Meetings of Directors

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 34 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board Meetings		Governance & Audit Committee		Succession Planning Committee		Honours & Awards Committee		International Programs Committee		Digital Strategy Committee		Networks & Collaboration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Carmel Krogh	10	10	0	0	7	7	0	0	3	3	0	0	4	4
Francois Gouws	10	9	0	0	7	7	0	0	3	3	0	0	0	0
Jeremy Lucas	10	10	4	4	0	0	3	3	0	0	0	0	0	0
Peter Dennis	10	9	4	3	7	7	0	0	0	0	0	0	4	4
Daniel Sullivan	10	10	0	0	0	0	0	0	3	3	3	3	0	0
Sandra Ridge	10	9	4	4	0	0	3	3	0	0	0	0	4	4
Louise Dudley	10	8	4	4	0	0	0	0	0	0	0	0	0	0
Jurg Keller	10	8	0	0	7	7	0	0	0	0	3	3	4	4
Jim Athanasopoulos	10	10	0	0	0	0	3	2	0	0	3	2	0	0

In accordance with the Company's constitution, each member is liable to contribute \$20 in the event that the Company is wound up.

The total amount that members of the company are liable to contribute if the company is wound up is up to \$102,520 for 5,126 members (2019: \$103,680 for 5,184 members).

Auditor's independence Declaration

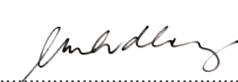
The auditor's independence declaration is included on page 16 of the financial report.

This Director's Report is signed in accordance with a resolution of Directors.

On behalf of the Directors:

Director 

Carmel Krogh OAM

Director 

Louise Dudley

Dated: 13 October 2020

Directors' Declaration

The directors declare that in the board of director's opinion:

- › there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and
- › the financial statements and notes satisfy the requirements of the *Australian Charities and Not for profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Director
Carmel Krogh OAM

Director
Louise Dudley

Dated: 13 October 2020

Bentleys NSW Audit Pty Ltd

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Australia

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Australian Water Association Limited
ABN: 78 096 035 773

**Auditor's Independence Declaration under the Australian Charities and Not for Profits
Commission Act 2012 to the Members of Australian Water Association Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



KEVIN CRANFIELD
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated: 13 October 2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	5	5,316,737	8,507,058
Marketing expenses		(1,144,885)	(2,541,791)
Occupancy expenses	6	(103,313)	(323,789)
Employee benefits expense		(3,359,049)	(3,560,602)
IT expenses		(19,200)	(31,160)
Depreciation and amortisation expenses	6	(526,761)	(105,421)
Net loss on financial assets at fair value through profit or loss		(136,306)	(7,126)
Administrative expenses	6	(1,042,545)	(1,222,208)
Profit / (loss) before income tax		(1,015,322)	714,961
Income tax expense		-	-
Profit / (loss) for the year		(1,015,322)	714,961
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(1,015,322)	714,961

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,897,062	3,209,941
Trade and other receivables	8	880,745	756,142
Financial assets	9	201,995	1,440,729
Other assets	12	100,664	84,378
TOTAL CURRENT ASSETS		4,080,466	5,491,190
NONCURRENT ASSETS			
Financial assets	9	1,516,591	1,190,138
Property, plant and equipment	10	321,877	365,719
Intangible assets	11	141,585	214,876
RightofUse Asset Buildings	13	837,435	-
TOTAL NONCURRENT ASSETS		2,817,488	1,770,733
TOTAL ASSETS		6,897,954	7,261,923
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,953,395	2,265,570
Employee benefits	15	188,693	120,892
Lease liability	2	290,066	-
TOTAL CURRENT LIABILITIES		2,432,154	2,386,462
NONCURRENT LIABILITIES			
Employee benefits	15	57,551	37,142
Lease liability	2	655,829	-
TOTAL NONCURRENT LIABILITIES		713,380	37,142
TOTAL LIABILITIES		3,145,534	2,423,604
NET ASSETS		3,752,420	4,838,319
EQUITY			
Retained earnings		3,752,420	4,838,319
TOTAL EQUITY		3,752,420	4,838,319

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings \$	Total \$
Balance at 1 July 2019	4,838,319	4,838,319
Restatement due to adoption of AASB 16	(70,577)	(70,577)
Balance at 1 July 2019 restated	4,767,742	4,767,742
Loss attributable to members of the parent entity	(1,015,322)	(1,015,322)
Balance at 30 June 2020	3,752,420	3,752,420

2019

	Retained Earnings \$	Total \$
Balance at 1 July 2018	4,123,358	4,123,358
Profit attributable to members of the parent entity	714,961	714,961
Balance at 30 June 2019	4,838,319	4,838,319

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		5,346,922	9,567,326
Payments to suppliers and employees		(6,342,773)	(8,047,374)
Interest received		85,038	122,495
Lease interest		(58,588)	-
Receipt from Government grants Jobkeeper and Cashflow Boost		212,000	-
Net cash provided by/(used in) operating activities	22	(757,401)	1,642,447
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible asset		(13,150)	(33,795)
Purchase of property, plant and equipment		(109,359)	(257,176)
Proceeds from financial assets		816,268	180,928
Net cash provided by/(used in) investing activities		693,759	(110,043)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Lease liability outflows		(249,237)	-
Net cash provided by/(used in) financing activities		(249,237)	-
Net increase/(decrease) in cash and cash equivalents held		(312,879)	1,532,404
Cash and cash equivalents at beginning of year		3,209,941	1,677,537
Cash and cash equivalents at end of financial year	7	2,897,062	3,209,941

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The Australian Water Association is a membership association for all professionals and organisations in the water sector and is a not for profit entity. The principal and registered address is Level 6, 655 Pacific Highway, St Leonards, NSW 2065. The financial report covers Australian Water Association Limited as an individual entity. Australian Water Association Limited is a not for profit Company, registered and domiciled in Australia. The entity is a company limited by guarantee.

The functional and presentation currency of Australian Water Association Limited is Australian dollars.

The financial report was authorised for issue by those charged with governance on 25 September 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not for profits Commission Act 2012.

While the effects of COVID 19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, it has resulted in increased estimation uncertainty and application of further judgement within those identified areas.

2 Change in Accounting Policy

Revenue from Contracts with Customers – Adoption of AASB 15 and AASB 1058

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The adoption of these standards has not had any impact on the presentation of the results in the financial statements.

Leases Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of Adoption of AASB 16

The impact of adopting AASB 16 is described below:

Company as a Lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. The Company has used the following expedients:

- › contracts which had previously been assessed as not containing leases under AASB 117 were not re assessed on transition to AASB 16;
- › lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- › right of use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- › a single discount rate was applied to all leases with similar characteristics;
- › the right of use asset was adjusted by any existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right of use asset;
- › excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight line basis over the remaining term;
- › used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Financial Statement impact of Adoption of AASB 16

The Company has recognised right of use assets of \$1,124,555 and lease liabilities of \$1,195,132 at 1 July 2019, for leases previously classified as operating leases.

The lessee's weighted average incremental borrowing rate applied to lease liabilities at 1 July 2019 was 5.41%.

	\$
Operating lease commitments at 30 June 2019 financial statements	1,365,546
Discounted using the incremental borrowing rate at 1 July 2019	1,195,132
Lease liabilities recognised at 1 July 2019	1,195,132

3 Summary of Significant Accounting Policies

(a) Revenue and Other Income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant Revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Rendering of Services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

Revenue from Contracts with Customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific Revenue Streams

The revenue recognition policies for the principal revenue streams of the Company are:

Membership Fees / Event income

Revenue from the membership and events is recognised when the services are delivered and have passed at which time all the following conditions are satisfied:

- › the company has transferred to the buyer the significant risks and rewards of ownership of the service;
- › the amount of revenue can be measured reliably;
- › it is probable that the economic benefits associated with the transaction will flow to the Company; and
- › the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and Equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed Asset Class	Depreciation Rate
Furniture, Fixtures and Fittings	15-25%
Leasehold improvements	25%
Right-o-fUse – Buildings	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

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

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

Financial Assets

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

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at amortised cost or fair value through profit or loss – FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- › the business model is to hold assets to collect contractual cash flows; and
- › the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

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

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

Impairment of financial assets

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- › the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- › the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

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

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

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

The financial liabilities of the Company comprise trade payables and lease liabilities.

(f) Impairment of Non Financial Assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and six years.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

For current year

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

This involves an assessment of whether:

- › The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- › The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- › The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee Accounting

The non lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Exceptions to lease accounting

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

(j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(k) Adoption of New and Revised Accounting Standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, and the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company except for those recorded at Note 2.

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key Estimates – Useful Lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Key Estimates – Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

5 Revenue and Other Income

Revenue from Continuing Operations

	2020 \$	2019 \$
Operating activities		
› Advertising	281,646	251,491
› Delegates	1,253,066	2,330,818
› Trade displays and exhibition income	185,483	1,857,485
› Government Grants	682,167	876,46
› Sponsorship Income	873,073	1,359,317
› Subscriptions	1,637,783	1,640,199
	4,913,218	8,315,779
Interest, investment and other revenue from:		
› Financial Assets	60,375	77,748
› Cash and cash equivalents	24,663	44,747
› Other income	106,481	68,784
› Government Grants Jobkeeper and Cash Flow Boost	212,000	-
	403,519	191,279
Total Revenue	5,316,737	8,507,058

6 Result for the Year

Other expenses:

Depreciation of plant and equipment and amortisation expense	239,641	105,421
Right-of-Use depreciation buildings	287,120	-
Bad debts	6,056	19,534
Operating lease expenses	103,313	323,789

7 Cash and Cash Equivalents

Cash at bank and in hand	2,897,062	3,209,941
	2,897,062	3,209,941

8 Trade and Other Receivables

CURRENT	2020 \$	2019 \$
Trade and other receivables	380,389	678,211
Provision for impairment	(13,499)	(19,534)
	366,890	658,677
Deposits	404,052	90,443
GST receivable	109,803	7,022
Total current trade and other receivables	880,745	756,142

9 Other Financial Assets

CURRENT		
Other financial assets		
Term deposits	201,995	1,440,729
	201,995	1,440,729
NONCURRENT		
Financial assets at fair value through profit or loss	1,516,591	1,190,138
	1,516,59	1,190,13
Total	1,718,586	2,630,867

10 Property, Plant and Equipment

PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	26,725	26,725
Accumulated depreciation	(19,515)	(17,060)
Total furniture, fixtures and fittings	7,210	9,665
Office equipment		
At cost	243,008	209,175
Accumulated depreciation	(169,879)	(145,653)
Total office equipment	73,129	63,522
Leasehold Improvements		
At cost	313,020	347,335
Accumulated depreciation	(71,482)	(54,803)
Total leasehold improvements	241,538	292,532
Total plant and equipment	321,877	365,719
Total property, plant and equipment	321,877	365,719

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2020				
Balance at the beginning of year	9,665	63,522	292,532	365,719
Additions	-	33,833	75,526	109,359
Depreciation expense	(2,455)	(24,226)	(126,520)	(153,201)
Balance at the end of the year	7,210	73,129	241,538	321,877

11 Intangible Assets

	2020 \$	2019 \$
Intangible assets		
Cost	563,152	550,002
Accumulated amortisation and impairment	(421,567)	(335,126)
Total Intangibles	141,585	214,876

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Year ended 30 June 2020		
Balance at the beginning of the year	214,876	214,876
Additions	13,150	13,150
Amortisation	(86,441)	(86,441)
Closing value at 30 June 2020	141,585	141,585

12 Other Assets

	2020 \$	2019 \$
CURRENT		
Prepayments	100,664	84,378
	100,664	84,378

13 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a Lessee

The Company has leases over land and buildings.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Buildings

The Company leases the building for their head office, with the lease generally being renewed between 1-5 years, with a renewal option to allow the Company to renew for up to 3 years once the non cancellable lease term has finished.

The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Leases for IT equipment are generally considered to be for low value assets.

Right-of-Use Assets

	\$	Total \$
Year ended 30 June 2020		
Right-of-Use buildings	1,435,602	1,435,602
Depreciation - Right-of-Use - buildings	(598,167)	(598,167)
Balance at end of year	837,435	837,435

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2020 \$
Interest expense on lease liabilities	(58,588)
Right-of-Use depreciation - buildings	(287,120)
	(345,708)

Statement of Cash Flows

Total cash outflow for leases	307,825
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14 Trade and Other Payables

	2020 \$	2019 \$
CURRENT		
Trade payables	11,876	93,737
Sundry payables and accrued expenses	211,894	588,307
Deferred membership income	759,340	822,694
Other deferred income	970,285	760,832
	1,953,395	2,265,570

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

15 Employee Benefits

	2020 \$	2019 \$
Current liabilities		
Employee benefits: long service leave	-	510
Employee benefits: annual leave	188,693	120,382
	188,693	120,892
Noncurrent liabilities		
Employee benefits: Long service leave	57,551	37,142
	57,551	37,142

16 Leasing Commitments

Operating Leases

Minimum lease payments under noncancellable operating leases:

› not later than one year	-	254,593
› between one year and five years	-	1,110,953
	-	1,365,546

Operating leases are in place for the office lease and normally have a term between 1 and 5 years. Lease payments are increased on an annual basis to reflect market rentals. In the current financial year, the lease has been recognised under AASB 16.

17 Financial Risk Management

	Note		
Financial Assets			
Held at amortised cost			
› Cash and cash equivalents	7	2,897,062	3,209,941
› Trade and other receivables	8	880,745	756,143
› Held to maturity investments	9	201,995	1,440,729
Fair value through profit or loss (FVTPL)			
› Financial assets at fair value through profit or loss	9	1,516,591	1,190,138
Total Financial Assets		5,496,393	6,596,951
Financial Liabilities			
Financial liabilities at fair value			
Trade and other payables	14	223,770	682,044
Total Financial Liabilities		223,770	682,044

18 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 976,280 (2019: \$ 817,294).

The above remuneration has increased due to the payout of statutory entitlements during the current year.

19 Auditors' Remuneration

	2020 \$	2019 \$
Remuneration of the auditor for:		
Audit of the financial statements	30,000	36,000
› Other services	3,500	-
Total	33,500	36,000

The auditor of Australian Water Association Limited is Bentleys NSW Audit Pty Ltd. The auditor in the 2019 financial year was Deloitte Touché Tohmatsu.

20 Contingencies

Contingent Liabilities

Australian Water Association Limited had the following contingent liabilities at the end of the reporting period:

(a) Amounts guaranteed, relationship and nature of guarantee

The Company has issued a letter of set off in the amount of \$201,995 (2019: \$201,995) with respect to an agreement for the leased premises at Level 6, 655 Pacific Highway St Leonards.

(b) Unused bank facility

The company has an unused auto pay facility in the amount of \$90,000 with Australia and New Zealand Banking Group (2019: \$90,000) with respect to payroll and a BCCL facility of \$100,000 with Australia and New Zealand Banking Group (2019: \$100,000).

21 Related Parties

(a) The Company's main related parties are as follows:

WaterAustralia Solutions Limited, which has 2 Directors in common (Carmel Krogh and Francois Andre Gouws). Key management personnel refer to Note 18.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Balance outstanding	
	Owed to the company \$	Owed by the company \$
WaterAustralia Solutions Limited		
Other receivable	38,603	-

22 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit for the year	(1,015,322)	714,961
Cash flows excluded from profit attributable to operating activities		
Noncash flows in profit:		
› amortisation	86,441	81,136
› depreciation	153,200	24,285
› depreciation of ROU asset	287,120	-
› decrease in provision for doubtful debts	(6,035)	-
› net (gain)/loss on disposal of investments	(40,293)	7,069
› fair value movements on investments	136,306	-
Changes in assets and liabilities:		
› (increase)/decrease in trade and other receivables	(118,568)	323,582
› (increase)/decrease in other assets	(16,285)	29,960
› increase/(decrease) in trade and other payables	(312,175)	399,603
› increase/(decrease) in provisions	88,210	61,851
Cashflows from operations	(757,401)	1,642,447

23 Events Occurring After the End of the Reporting Period

The financial report was authorised for issue on 25 September 2020 by those charged with governance.

COVID 19 and its associated economic impacts remain uncertain. The Company continues to closely monitor developments with a focus on potential financial and operational impacts. The Directors, on the date of approving these financial statements, are of the view the effects of COVID 19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, however note that the situation is continuing to evolve.

Other than the above, no matter or circumstance has arisen in the interval between the end of the financial year and the date of this report that has significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of the affairs of the Company in the future financial years.

24 Statutory Information

The registered office and principal place of business of the company is:

Australian Water Association Limited

Level 6, 655 Pacific Highway

St Leonards NSW 2065

Bentleys NSW Audit Pty Ltd

Level 14, 60 Margaret Street
Sydney NSW 2000
Australia

ABN 73 140 282 346

T +61 2 9220 0700

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bentleys.com.au

Australian Water Association Limited

ABN: 78 096 035 773

Independent Audit Report to the Members of Australian Water Association Limited

Report on the Audit of the Financial Report

We have audited the financial report of Australian Water Association Limited (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of Australian Water Association Limited is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act) including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of 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 Company in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 the Directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as directors determine is necessary to enable the preparation of 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kevin Cranfield
Director
Sydney



Bentleys NSW Audit Pty Ltd
Chartered Accountants

Date: 13 October 2020



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ASSOCIATION