

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

**Financial Report For The Year Ended
31st December 2022**

Water Industry Operators Association of Australia Ltd

ABN: 83 123 468 422

Financial Report For The Year Ended 31st December 2022

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WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31st December 2022.

Directors

The names of each person who has been a director during the year and to the date of this report are:

George Wall appointed (16/01/2007)
Ron Bergmeier appointed (17/03/2021)
Mark Samblebe appointed (17/03/2021)
Jillian Busch resigned (20/04/2022)
Heidi Josipovic appointed (28/02/2019)
John Harris appointed (18/03/2020)
Kayleen White appointed (20/04/2022)

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

Information on Directors

George Wall	—	Managing Director / Company Secretary
Qualifications	—	B.Tech (Env), GAICD
Experience	—	33 years experience as senior manager, 28 yrs WIOA Secretary.
Special Responsibilities	—	WIOA Ltd Company Secretary, WIOA Ltd Managing Director
Ron Bergmeier	—	Director
Qualifications	—	Water Treatment Consultant
Experience	—	39 years experience in the Water Industry and business operations
Special Responsibilities	—	Budget & Finances, Corporate Governance and business development
Mark Samblebe	—	Director - Deputy Chair
Qualifications	—	B.Science (Aquatic with Honours), Dip Frontline Mgmt;
Experience	—	25 years experience in water industry, 5 yrs Director Private Enterprise
Special Responsibilities	—	Technical & strategic advice, President WIOA Inc
Jillian Busch	—	Director - (Resigned 20/4/2022)
Qualifications	—	B. Applied Science (Physical Science & Microbiology)
Experience	—	26 yrs exp in Tech roles in the Water Industry & 12 yrs as Director
Special Responsibilities	—	Technical & strategic advice
Heidi Josipovic	—	Director
Qualifications	—	B. Env Management & Ecology, Master in Env Engineering
Experience	—	16 years experience in Tech roles in Water Industry & Snr Mr 5 yrs
Special Responsibilities	—	Technical & strategic advice,
John Harris	—	Director - Chair
Qualifications	—	Water Treatment Technologist (retired)
Experience	—	45 years exp in Tech roles in Water Industry & 20 years Credit Union
Special Responsibilities	—	Technical & strategic advice
Kayleen White	—	Director - (Appointed 20/4/2022)
Qualifications	—	BE Civil
Experience	—	Over 40 years as a consulting engineer in the water industry
Special Responsibilities	—	Technical & strategic advice

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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DIRECTORS' REPORT

Principal Activities

The principal activity of the company during the financial year was:

The Water Industry Operators Association is a not-for-profit membership association with a Mission of developing and supporting people in operational roles in the water industry.

The purpose of the Association is to disseminate knowledge and information; foster research; and provide services of an educational and training nature throughout Australia in relation to and for the benefit of the water industry. The Association has guiding principles of seeking to preserve clean waterways and protect public health and the environment as well as promoting the sustainable management of water.

The Association's constitution contains the following objects:

- (a) To accumulate and disseminate knowledge and information in relation to any aspect of the water industry.
- (b) To increase participation in research by persons engaged in the water industry.
- (c) To increase the knowledge and skills of persons engaged in the water industry.
- (d) To promote standards of education and training to ensure the competency of persons engaged in the water industry.
- (e) To develop key partnerships to deliver high quality education and training in a cost efficient manner.
- (f) To ensure that the Company's educational focus reflects priorities and needs for the water industry.
- (g) To improve equity of access to educational resources regardless of location.
- (h) To provide training and facilitate professional development for supervisors and mentors.
- (i) To integrate continuous quality improvement processes into all aspects of the management and delivery of programmes.
- (j) To do all such things as are incidental and conducive to the attainment of the above objectives throughout Australia.

Short-term and Long-term Objectives

The company's short term objectives are to:

- To continue to undertake all the activities noted in the objects above for the betterment of all staff employed in the water industry;
- To operate in an environmentally and financially sustainable manner, whilst minimising risks to the organisation;
- To be recognised as the Peak Body for the operational side of the water industry.

The company's long term objectives are to:

- Expand the capacity and scope of Water Industry Operators Association of Australia Limited (WIOA) to allow a wider range of services and events to be offered on an Australia wide basis, for the betterment of all members and stakeholders in the water industry.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Directors have developed, updated and implemented a Strategic Plan designed to allow the organisation to grow and deliver all its services in a sustainable manner;
- To ensure the organisation remained viable and managed the impact of COVID-19 on operations (including the postponement or cancellation of conferences and events), directors continued with regular Board meetings to review and update the Strategic Plan and monitor operating model performance;
- Directors review the financial and operational performance of the company monthly, in conjunction with key operational staff.
- A governance framework containing a broad range of policies and procedures has been developed and implemented to assist staff
- The Managing Director has successfully completed the AICD Company Director training course and exam
- All other directors will complete training in Governance, Finance and Risk with the AICD
- A risk management strategy has been developed and implemented.
- Appropriate insurance policies such as Directors and Company Insurance, Professional Indemnity, Public & Products Liability; Volunteer cover, Event Cancellation and other relevant insurances are in place

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Three of the four major conferences were able to be staged in 2022, although attendance numbers were slightly lower than anticipated. This was mainly due to the lingering impacts of COVID, with water utilities continuing to carefully manage any events attended by their operational workforces. Although the net trading KPI indicates a reduction in the cash at bank of \$140k, the financial position improved significantly as approx \$600k was held as prepayments in 2021 for 2022 events. Some additional income was generated from training consultation projects in Queensland and NSW with both projects completed in 2022. The limited number of events other than the three conferences, impacted the ability to promote the association and obtain additional members and registered operators. The organisation ran on less staff than previous years due to ongoing uncertainty about whether conferences would be able to be staged. Several new staff were appointed late in 2022 in anticipation of a return to more normal activities in 2023.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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DIRECTORS' REPORT

	2022		2021	
	Actual	Budget	Actual	Budget
Financial				
- Increase/(Decrease) in cash reserves (%)	(13.6)	25.9	122.9	3.2
- Current year surplus/(deficit) V's Budget (\$k)	366	266	(70)	4
Operational				
- Total Members	4512	4600	4435	4450
- Growth in membership (%)	1.7	5.0	3.2	5.0
- Growth in conference attendance (%)	12.3	2.0	0.0	2.0
- Number of certified operators	114	200	99	200

Events After the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly alter the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

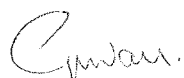
	Directors' Meetings	
	No. eligible to attend	No. attended
George Wall	7	7
Ron Bergmeier	7	7
Mark Samblebe	7	7
Jillian Busch	2	2
Heidi Josipovic	7	6
John Harris	7	7
Kayleen White	5	4

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31st December 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$40 (2021 \$40).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31st December 2022 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director  **George Wall**

Dated this 15th day of March 2023

Director  **John Harris**

Dated this 15th day of March 2023

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**

ABN 83 123 468 422

FOR THE YEAR ENDED 31 DECEMBER 2022

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.



Adam Purtil RCA 419507

Date: 27 March 2023

160 Welsford Street Shepparton, VIC 3630

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER
2022

	Note	2022 \$	2021 \$
Revenue and other income	2	1,863,315	870,679
Employee benefits expense	3	(509,187)	(579,739)
Depreciation and amortisation expense	3	(45,763)	(15,711)
Administration and other expenses		(228,035)	(151,656)
Conferences and events		(714,220)	(194,342)
		<u>366,110</u>	<u>(70,769)</u>
Current year surplus/(deficit) before income tax		366,110	(70,769)
Tax expense	1(i)	-	-
Net current year surplus/(deficit)		<u>366,110</u>	<u>(70,769)</u>
Other comprehensive income		250,000	-
Total comprehensive income/(loss) for the year		<u>616,110</u>	<u>(70,769)</u>
Net current year surplus/(deficit) attributable to members of the entity		<u>366,110</u>	<u>(70,769)</u>
Total comprehensive income/(loss) attributable to members of the entity		<u>616,110</u>	<u>(70,769)</u>

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	5	870,528	1,012,208
Accounts receivable and other debtors	6	6,150	12,870
Other current assets	7	17,407	32,864
TOTAL CURRENT ASSETS		894,085	1,057,942
NON-CURRENT ASSETS			
Property, plant and equipment	8	683,300	394,331
TOTAL NON-CURRENT ASSETS		683,300	394,331
TOTAL ASSETS		1,577,385	1,452,273
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	174,050	636,982
Provision for Annual Leave	1(e)	32,027	31,465
Provision for RDOs	1(e)	1,597	1,768
Provision for Long Service Leave	1(e)	98,979	127,436
TOTAL CURRENT LIABILITIES		306,653	797,651
TOTAL LIABILITIES		306,653	797,651
NET ASSETS		1,270,732	654,622
EQUITY			
Retained earnings		996,869	630,759
Reserves		273,863	23,863
TOTAL EQUITY		1,270,732	654,622

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2022

Note	Retained Surplus \$	Revaluation Surplus \$	Total \$
Balance at 1st January 2021	701,528	23,863	725,391
Balance at 1st January 2021	701,528	23,863	725,391
Comprehensive Income			
Surplus/(deficit) for the year attributable to members of the entity	(70,769)		(70,769)
Other comprehensive income			-
Total comprehensive income attributable to members of the entity	(70,769)	-	(70,769)
Balance at 31st December 2021	630,759	23,863	654,622
Balance at 1st January 2021	630,759	23,863	654,622
Comprehensive Income			
Surplus/(deficit) for the year attributable to members of the entity	366,110	-	366,110
Other comprehensive income		250,000	250,000
Total comprehensive income/(loss) attributable to members of the entity	366,110	250,000	616,110
Balance at 31st December 2022	996,869	273,863	1,270,732

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3,864	702
Cash receipts in the course of operations		1,398,281	1,421,595
Cash payments in the course of operations		<u>(1,469,902)</u>	<u>(866,086)</u>
Net cash generated from operating activities	13	<u>(67,757)</u>	<u>556,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		25,454	16,364
Payment for property, plant and equipment		<u>(99,377)</u>	<u>(1,432)</u>
Net cash used in investing activities		<u>(73,923)</u>	<u>14,932</u>
Net increase in cash held		(141,680)	571,143
Cash on hand at beginning of the financial year		<u>1,012,208</u>	<u>441,065</u>
Cash on hand at end of the financial year	5	<u><u>870,528</u></u>	<u><u>1,012,208</u></u>

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

The financial statements cover Water Industry Operators Association of Australia Ltd as an individual entity, incorporated and domiciled in Australia. Water Industry Operators Association of Australia Ltd is a company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards - Simplified Disclosure Requirements and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 15/03/2023 by the directors of the company.

Accounting Policies

(a) Revenue and Other Income

Water Industry Operators Association of Australia Ltd receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset any related amounts are recognised, being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

Income is recognised immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating Grants, Donations and Bequests

On receipt of operating grant revenue, donations or bequests, an assessment is made as to whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,

When both these conditions are satisfied, Water Industry Operators Association of Australia Ltd:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, Water Industry Operators Association of Australia Ltd:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, income is recognised in profit or loss when or as it satisfies its obligations under the contract

Capital Grant

When the company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised in profit or loss when or as the obligations under terms of the grant are satisfied.

Membership fees

Membership fees are recognised as revenue when received.

Interest Income

Interest income is recognised using the effective interest method.

All revenue and other income is stated net of the amount of goods and services tax.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses. Land and buildings are carried at fair value, buildings not depreciated.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

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

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Land and buildings	0%
Plant and equipment - Purchased before 12/05/2015	8% - 67%
Plant and equipment - Purchased on or after 12/05/2015	10% - 100%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(c) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: Revenue from Contracts with Customers.

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through

The company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit-

- if the credit risk of the financial instrument has increased significantly since initial recognition, the company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(d) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(e) Employee Provisions

Short-term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Provision for Leave	2022	2021
	\$	\$
— provision for annual leave	32,027	31,465
— provision for rostered day off	1,597	1,768
— Provision for long service leave	98,979	127,436
Total provision for leave	<u>132,603</u>	<u>160,669</u>

(f) Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(h) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(k) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding comparative period in addition to the minimum comparative financial statements must be disclosed.

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(l) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

Useful lives of property, plant and equipment

As described in Note 1(b), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* requires measurement of long-term employee benefits using a number of estimated inputs. These include probable length of service by employees, rates of wage inflation and future interest rates used for discounting the liability to present value. The inputs used represent the best estimate of the probable liability.

Valuation of freehold land and buildings

The freehold land and buildings were independently valued at 20 January 2023 by Kevin Hicks Real Estate. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

At 31 December 2022, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 31 December 2022. The directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs of disposal at 31 December 2022.

Key Judgements

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(n) New and Amended Accounting Policies Adopted by the Company

Initial Adoption AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities for the first time this reporting period. This Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reduction in disclosures compared to RDR in Revenue, Leases and Financial instruments; however has resulted in new and increased disclosure in areas such as Audit Fees and Related Parties.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

Note 2 Revenue and Other Income

	2022	2021
	\$	\$
Revenue		
— Operating Activities		
— - event income	1,178,536	255,714
— - publications	77,279	37,678
— - sponsorship	303,855	89,838
— - services	66,684	192,135
Other income		
— - subsidies & other	35,809	84,060
— - other revenue	19,866	21,340
	<u>1,682,029</u>	<u>680,765</u>
— Non-operating Activities		
— - management fees received from related party	177,422	189,212
— - interest received	3,864	702
Total other income	<u>181,286</u>	<u>189,914</u>
Total revenue and other income	<u><u>1,863,315</u></u>	<u><u>870,679</u></u>

Note 3 Expenses

	2022	2021
	\$	\$
(a) Expenses		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	42,119	50,001
— wages & salaries	455,981	513,238
— workers compensation costs	9,261	6,523
— admin trainee	10,935	10,935
— other costs	(9,109)	(958)
Total employee benefits expense	<u>509,187</u>	<u>579,739</u>
Depreciation and amortisation:		
— motor vehicle	24,375	13,804
— plant and equipment	21,388	1,906
Total depreciation and amortisation	<u>45,763</u>	<u>15,711</u>

Note 4 Auditors' Remuneration

	2022	2021
	\$	\$
Audit Fees	4,950	4,650
Other Services provided by Audit Firm	-	-
	<u>4,950</u>	<u>4,650</u>

Note 5 Cash on Hand

	2022	2021
	\$	\$
CURRENT		
Cash at bank	870,385	1,011,466
Cash float	103	702
Cash on Hand	40	40
Total cash and cash equivalents as stated in the statement of financial position	<u><u>870,528</u></u>	<u><u>1,012,208</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

Note 6 Accounts Receivable and Other Debtors

	2022	2021
	\$	\$
CURRENT		
Trade Debtors	6,150	12,870
Total current accounts receivable and other debtors	6,150	12,870

Note 7 Other Current Assets

	2022	2021
	\$	\$
Prepayments	17,407	32,864
	17,407	32,864

Note 8 Property, Plant and Equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Buildings at fair value:		
— Directors valuation 2022	600,000	350,000
Less accumulated depreciation	-	-
Total buildings	600,000	350,000
Total land and buildings	600,000	350,000
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	255,747	187,443
Less accumulated depreciation	(172,447)	(143,112)
Total plant and equipment	83,300	44,331
Total property, plant and equipment	683,300	394,331

Year	Asset Type	OWDV	Additions	Disposals	Depreciation	CWDV
2021	Motor Vehicles	67,491	-	12,559	13,804	41,127
	Plant & Equipment	3,724	1,432	45	1,906	3,204
2022	Motor Vehicles	41,127	78,395	14,645	24,375	80,502
	Plant & Equipment	3,204	20,982	-	21,388	2,798

The building was revalued by the directors in 2022 to \$600,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

Note 9 Accounts Payable and Other Payables

	Note	2022 \$	2021 \$
CURRENT			
Other current payables		12,635	12,543
GST payable		18,576	24,519
Contract liability		142,839	599,920
		174,050	636,982

(a) Contract Liability

Opening Balance		599,920	32,333
Amounts received for unfulfilled performance obligations		142,839	599,920
Revenue recognised included in opening balance		(599,920)	(32,333)
Closing Balance		142,839	599,920

Note 10 Contingent Liabilities and Contingent Assets

There were no contingent liabilities at the date of this report to affect the financial statements.

Note 11 Events After the Reporting Period

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly alter the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Note 12 Related Party Transactions

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

		2022 \$	2021 \$
Key Management Personnel Compensation		\$	\$
— Salaries and fees		267,292	333,000
— Superannuation		22,890	32,467
Total key management personnel compensation		290,182	365,467
Other Related Party Transactions			
— Management fee received from Water Industry Operators of Australia Inc		177,422	189,212

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

Note 13 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus	2022	2021
	\$	\$
Profit after income tax	366,110	(70,769)
Non cash flows		
Depreciation and amortisation expense	45,763	15,711
Gains on disposal of property, plant and equipment	(10,809)	(3,759)
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	6,720	(12,210)
Increase/(decrease) in accounts payable and other payables	92	(1,552)
Increase/(decrease) in accrued income	(457,081)	567,587
Increase/(decrease) in provisions for employee benefits	(28,066)	4,384
Increase/(decrease) in GST Payable	(5,943)	16,867
(Increase)/decrease in prepayments	15,457	39,952
	<u>(67,757)</u>	<u>556,211</u>

Note 14 Entity Details

The registered office of the entity is:

Water Industry Operators Association of Australia Ltd
24-26 New Dookie Rd, Shepparton Vic 3630

The principal place of business is:

Water Industry Operators Association of Australia Ltd
24-26 New Dookie Rd, Shepparton Vic 3630

Note 15 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 31 December 2022 the number of members was 4.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Water Industry Operators Association of Australia Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 19, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the company as at 31st December 2022 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.



George Wall

Dated this 15th day of March 2023

Director



John Harris

Dated this 15th day of March 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Water Industry Operators Association of Australia Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Water Industry Operators Association of Australia Ltd. (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income for the period then ended, statement in changes in equity, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Water Industry Operators Association of Australia Ltd., is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its financial performance for the period then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.



Adam Purtill RCA 419507

Date: 27 March 2023

160 Welsford Street Shepparton, VIC 3630