

# **WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**

**ABN: 83 123 468 422**

**Financial Report For The Year Ended  
31st December 2016**

# **Water Industry Operators Association of Australia Ltd**

ABN: 83 123 468 422

## **Financial Report For The Year Ended 31st December 2016**

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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 2016.

**Directors**

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

Jim Martin appointed (26/02/2016)  
George Wall appointed (26/02/2016)  
Peter Tolsher appointed (26/02/2016)  
Ryan McGowan appointed (26/02/2016)  
Tony Hourigan appointed (26/02/2016)  
Russell Mack appointed (26/02/2016)

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

**Information on Directors**

Jim Martin	—	Director / Chairman
Qualifications	—	Company CEO/ Managing Director (retired), AICD Member
Experience	—	30 years manager in Water Industry, 11 yrs banking & accounting
Special Responsibilities	—	Chairman, Corporate governance and business development.
George Wall	—	Managing Director / Company Secretary
Qualifications	—	B.Tech (Env), GAICD
Experience	—	27 years experience as senior manager, 22 yrs WIOA Secretary.
Special Responsibilities	—	WIOA Ltd Company Secretary, WIOA Ltd Managing Director
Peter Tolsher	—	Director
Qualifications	—	Snr Manager 15 years
Experience	—	34 years experience in the Water Industry and business operations
Special Responsibilities	—	Quality systems, budgets/financial
Ryan McGowan	—	Director
Qualifications	—	B. Comp Science & Eng, Snr Mgr 5 years
Experience	—	20 years in water industry roles
Special Responsibilities	—	IT Specialist, President WIOA Inc
Tony Hourigan	—	Director
Qualifications	—	Licensed Electrician
Experience	—	Owner/operator electrical business 2 years, 15 years Snr Manager role in water industry
Special Responsibilities	—	Sales, Marketing
Russell Mack	—	Director
Qualifications	—	Water Treatment Technologist
Experience	—	29 years experience in the Water Industry & 23 yrs as snr manager
Special Responsibilities	—	Technical & strategic advice, Immediate Past President WIOA Inc

**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 operations 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.

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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 a key water industry Peak Body.

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 the water industry.

#### **Strategies**

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

- Directors have developed and implemented a Strategic Plan designed to allow the organisation to grow and deliver all its services in a sustainable manner;
- 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
- A risk management strategy has been developed and implemented.
- Appropriate insurance policies including Directors and Company Insurance, Professional Indemnity, Volunteer cover and other 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.

	2016		2015	
	Actual	Budget	Actual	Budget
<b>Financial</b>				
- growth in cash reserves (%)	28.9	4.0	-51.4	4.0
- Net trading result V's Budget (\$k)	64.2	2.9	-32.5	-40.7

Note: 2015 Reduction in cash reserves due to purchase of office building

#### **Operational**

- Total Number of Members	4002	3862	3678	3240
- Growth in membership (%)	8.8	5.0	11.9	5.0
- Growth in conference attendance (%)	-2.1	2.0	-0.3	5.0
- Number of certified operators	82	75	46	50

#### **Meetings of Directors**

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Jim Martin	6	6
George Wall	6	6
Peter Tolsher	6	5
Ryan McGowan	6	5

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
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**DIRECTORS' REPORT**

Tony Hourigan	6	5
Russell Mack	6	6

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 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$40 (2013: \$40).

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31st December 2016 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 15<sup>th</sup> day of February 2017

Director   
\_\_\_\_\_  
Ryan McGowan

Dated this 15 day of February 2017



**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**

**ABN: 83 123 468 422**

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

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm Goulburn Murray Audit Services



Name of Partner Adam Purtill

Date

24/1/17

Address

160 Welsford Street

Shepparton, VIC, 3630

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
**ABN: 83 123 468 422**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
Other income	2	1,529,315	1,483,561
Employee provisions expense	3	(496,129)	(456,395)
Depreciation and amortisation expense	3	(48,614)	(39,965)
- administration & other expenses		(292,058)	(332,781)
- conferences & events		(620,527)	(644,830)
<b>Current year surplus before income tax</b>		<b>71,986</b>	<b>9,590</b>
Tax expense	1(i)	-	-
<b>Net current year surplus</b>		<b>71,986</b>	<b>9,590</b>
<b>Total comprehensive income for the year</b>		<b>71,986</b>	<b>9,590</b>
Net current year surplus attributable to members of the entity		71,986	9,590
Total comprehensive income attributable to members of the entity		71,986	9,590

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 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	5	452,453	342,957
Accounts receivable and other debtors	6	17,398	30,083
Other current assets	7	29,633	7,700
<b>TOTAL CURRENT ASSETS</b>		<u>499,484</u>	<u>380,740</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	397,903	399,438
<b>TOTAL NON-CURRENT ASSETS</b>		<u>397,903</u>	<u>399,438</u>
<b>TOTAL ASSETS</b>		<u>897,388</u>	<u>780,178</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	9	100,046	67,983
Provision for Annual Leave	10	49,391	42,265
Provision for RDOs	10	2,772	1,579
Provision for Long Service Leave	10	43,334	38,493
<b>TOTAL CURRENT LIABILITIES</b>		<u>195,544</u>	<u>150,320</u>
<b>TOTAL LIABILITIES</b>		<u>195,544</u>	<u>150,320</u>
<b>NET ASSETS</b>		<u>701,844</u>	<u>629,858</u>
<b>EQUITY</b>			
Retained earnings		701,844	629,858
<b>TOTAL EQUITY</b>		<u>701,844</u>	<u>629,858</u>

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 2016**

	Note	Retained Surplus \$	Financial Assets Reserve \$	Revaluation Surplus \$	Total \$
<b>Balance at 1st January 2015</b>		620,268			620,268
Retrospective adjustment upon change in accounting policy					-
<b>Balance at 1st January 2015</b>		620,268	-	-	620,268
<b>Comprehensive Income</b>					
Surplus for the year attributable to members of the entity		9,590			9,590
<b>Total other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income attributable to members of the entity</b>					
		9,590	-	-	9,590
<b>Balance at 31st December 2015</b>		629,858	-	-	629,858
<b>Balance at 1 January 2016</b>		629,858	-	-	629,858
<b>Comprehensive Income</b>					
Surplus for the year attributable to members of the entity		71,986			71,986
<b>Total comprehensive income attributable to members of the entity</b>					
		71,986	-	-	71,986
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Total other transfers					-
<b>Total transactions with owners and other transfers</b>		-	-	-	-
<b>Balance at 31st December 2016</b>		701,844	-	-	701,844

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 2016**

	<b>Note</b>	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		8,644	17,802
Cash receipts in the course of operations		1,564,392	1,422,378
Cash payments in the course of operations		(1,416,467)	(1,457,528)
Net cash generated from operating activities	14	<u>156,569</u>	<u>(17,348)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(47,080)	(368,000)
Net cash used in investing activities		<u>(47,080)</u>	<u>(368,000)</u>
Net increase in cash held		109,489	(385,348)
Cash on hand at beginning of the financial year		342,964	728,312
Cash on hand at end of the financial year	5	<u><u>452,453</u></u>	<u><u>342,964</u></u>

The accompanying notes form part of these financial statements.

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
**ABN: 83 123 468 422**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016**

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 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 16/01/2017 by the directors of the company.

**Accounting Policies**

**(a) Revenue**

Water Industry Operators Association of Australia Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

**(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.

**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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment - Purchased before 12/05/2015	8% - 67%
Plant and equipment - Purchased on or after 12/05/2015	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**

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016**

*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 are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

*Classification and Subsequent Measurement*

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iv) Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

*Impairment*

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016**

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(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.

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.

**(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

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.

**(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.

**(n) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017)

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Company on initial application of AASB 9 and associated amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012–10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).



# WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the company's financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This Standard is not expected to significantly impact the company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only but is not expected to significantly impact the company's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company's financial statements.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to significantly impact the company's financial statements.

- Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the company's financial statements.

- AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

- AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the company's financial statements.

- AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–5 amends AASB 10: Consolidated Financial Statements to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the company's financial statements.

### Note 2 Revenue and Other Income

	2016	2015
Revenue	\$	\$
Other income		
— Gain on disposal of property, plant and equipment	-	7,457
— - event income	1,051,839	1,054,260
— - publications	29,315	22,243
— - sponsorship	232,157	225,424
— - services	40,129	14,399
— - other revenue	39,686	41,125
	<u>1,393,125</u>	<u>1,364,908</u>

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**

**ABN: 83 123 468 422**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016**

— Non-operating Activities			
— - management fees received from related party		127,546	100,851
— - interest received		8,644	17,802
<b>Total other income</b>		<u>136,189</u>	<u>118,653</u>
<b>Total revenue and other income</b>		<u>1,529,315</u>	<u>1,483,561</u>
<b>Note 3</b>	<b>Expenses</b>		
		2016	2015
		\$	\$
<b>(a) Expenses</b>			
Employee benefits expense:			
— contributions to defined contribution superannuation funds		39,868	38,454
— Wages & salaries		419,777	358,512
— workers compensation costs		5,392	4,443
— other costs		31,092	54,986
<b>Total employee benefits expense</b>		<u>496,129</u>	<u>456,395</u>
Depreciation and amortisation:			
— building		8,153	-
— plant and equipment		40,461	39,965
<b>Total depreciation and amortisation</b>		<u>48,614</u>	<u>39,965</u>
<b>Note 4</b>	<b>Auditors' Remuneration</b>		
		2016	2015
		\$	\$
Audit or review of the financial report of the Company		<u>4,500</u>	<u>5,500</u>
<b>Note 5</b>	<b>Cash on Hand</b>		
		2016	2015
		\$	\$
CURRENT			
Cash at bank		452,028	341,537
Cash float		386	1,380
Cash on Hand		40	40
<b>Total cash and cash equivalents as stated in the statement of financial position</b>		<u>452,453</u>	<u>342,957</u>
<b>Total cash and cash equivalents as stated in the cash flow statement</b>		<u>452,453</u>	<u>342,964</u>
<b>Note 6</b>	<b>Accounts Receivable and Other Debtors</b>		
	<b>Note</b>	2016	2015
		\$	\$
CURRENT			
GST Control		-	27,264
Trade Debtors		17,398	2,819
<b>Total current accounts receivable and other debtors</b>		<u>17,398</u>	<u>30,083</u>
<b>Note 7</b>	<b>Other Current Assets</b>		
		2016	2015
		\$	\$
Prepayments		29,633	7,700
		<u>29,633</u>	<u>7,700</u>
<b>Note 8</b>	<b>Property, Plant and Equipment</b>		
		2016	2015

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016**

	\$	\$
<b>LAND AND BUILDINGS</b>		
Buildings at fair value:		
— Directors valuation 2014	326,137	
Less accumulated depreciation	(8,153)	-
Total buildings	317,984	326,137
Total land and buildings	317,984	326,137
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	189,410	142,329
Less accumulated depreciation	(109,490)	(69,028)
	79,919	73,301
Total plant and equipment	79,919	73,301
Total property, plant and equipment	397,903	399,438

**Note 9 Accounts Payable and Other Payables**

	2016 \$	2015 \$
<b>CURRENT</b>		
Other current payables	11,259	10,232
GST payable	12,563	-
Income received in advance	76,224	57,751
	100,046	67,983

**Note 10 Employee Provisions**

**Provision for Employee Benefits**

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.

**Note 11 Contingent Liabilities and Contingent Assets**

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

**Note 12 Events After the Reporting Period**

There have been no events after the end date of the financial year that would materially affect the financial statements.

**Note 13 Key Management Personnel Compensation**

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:

	2016 \$	2015 \$
Key Management Personnel Compensation		
— Salaries and fees	159,058	155,423
— Superannuation	15,110	14,765
Total key management personnel compensation	174,168	170,188

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
**ABN: 83 123 468 422**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016**

**Note 14 Cash Flow Information**

<b>Reconciliation of Cashflow from Operating Activities with Current Year Surplus</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax	71,986	9,590
Non cash flows		
Depreciation and amortisation expense	48,614	39,965
Gains on disposal of property, plant and equipment	-	(7,457)
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(14,579)	7,519
Increase/(decrease) in accounts payable and other payables	1,027	(3,337)
Increase/(decrease) in accrued income	18,472	(15,483)
Increase/(decrease) in provisions for employee benefits	13,160	(7,207)
(Increase)/decrease in GST Receivable	27,264	(27,264)
Increase/(decrease) in GST Payable	12,563	(5,981)
(Increase)/decrease in prepayments	(21,933)	(7,700)
	<u>156,575</u>	<u>(17,355)</u>

**Note 15 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 16 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 30 June 2014 the number of members was 4.

**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
**ABN: 83 123 468 422**  
**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 16, 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 2016 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 15<sup>th</sup> day of February 2017

Director



*Ryan McGowan*

Dated this 15 day of February 2017



**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
**ABN: 83 123 468 422**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**

*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 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, 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 the Water Industry Operators Association of Australia Ltd., is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31st December 2016 and of its performance for the year ended on that date; and
- (ii) 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*

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 2016, 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.

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.



**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**  
**ABN: 83 123 468 422**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD**

- 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 a 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Auditor's signature:

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Adam Purtil  
Goulburn Murray Audit Services  
160 Welsford Street  
Shepparton, VIC, 3630

Address:

Dated this            17th                            day of            February                            2017