

# **Water Services Association of Australia Ltd**

**ACN 117 907 285**

**Annual Report - 30 June 2021**

## **Water Services Association of Australia Ltd**

### **Directors' report**

**30 June 2021**

#### **Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Roch Cheroux (appointed Chair November 2020)  
Patrick McCafferty (Chair, term as Chair completed November 2020)  
Marlon Bridge (appointed October 2020, resigned April 2021)  
Jason Devitt  
Pat Donovan  
Louise Dudley  
Andrew George  
Raveen Jaduram (resigned October 2020)  
Jon Lamonte (appointed April 2021)  
Lara Olsen  
David Ryan  
Adam Lovell

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

#### **Principal activities**

The principal activity of the company during the financial year was as follows.

The Water Services Association of Australia (WSAA) is the peak body of the Australian urban water industry. Its 83 members provide water and waste water services to approximately 16 million Australians and to many of our largest industrial and commercial enterprises.

Urban water service providers have a critical role in ensuring that Australians have access to adequate and high quality water services. As Australia's population continues to grow, with most of this growth occurring in cities, that role becomes increasingly important.

WSAA's vision is for Australian urban water utilities to be valued as leaders in the innovative, sustainable and cost effective delivery of water services. WSAA strives to achieve this vision by promoting knowledge sharing, networking and cooperation amongst members. WSAA identifies emerging issues and develops industry-wide responses. WSAA is the national voice of the urban water industry, speaking to government, the broader water sector and the Australian community.

#### **Information on directors**

Name: Roch Cheroux  
Title: Director, WSAA  
Qualifications: Masters Degree in Engineering and Business Management.  
Experience and expertise: Roch Cheroux was first appointed to the WSAA Board in August 2016.

Mr Cheroux has significant experience in the water industry in design, construction, financing, operating and customer service activities in both line management and executive management positions. He was Chief Executive of South Australia Water Corporation, Chief Executive Officer of SUEZ for the South East Asia region and SUEZ-Degrémont Australia and New Zealand, Managing Director of United Utilities Asia and Pacific (TRILITY), and Chief Executive and Chairman of Tallinn Water in Estonia.

Mr Cheroux is Managing Director of Sydney Water Corporation which supplies water, wastewater, recycled water and some stormwater services to Sydney, the Illawarra and the Blue Mountains.

Special responsibilities: Roch is a member of the Australian Water Partnership Advisory Committee.  
Chair (Appointed Chair November 2020)  
Member of Audit Committee

**Water Services Association of Australia Ltd**

**Directors' report**

**30 June 2021**

Name: Patrick McCafferty  
Title: Director, WSAA  
Qualifications: B. Bus (Acc), EMBA, GAICD, FWCLP  
Experience and expertise: Patrick McCafferty was first appointed to the WSAA Board in November 2015 and appointed as Chair of the WSAA Board in November 2016, finishing in November 2020. Mr McCafferty is a member of WSAA's Audit Committee and Strategic Priorities Committee.

In a career spanning over 30 years in the water industry, Mr McCafferty has had significant experience in strategic leadership positions, including planning, regulation, finance and operations. He has also worked in the USA water sector and advised the Australian Federal Government as part of the National Water Initiative.

Mr McCafferty is Managing Director of Yarra Valley Water which provides water and sanitation services across Melbourne's eastern and northern suburbs. He is Chair of the Thriving Communities Partnership (a cross sector collaboration to improve support for vulnerable customers of essential services), is a member of the Monash Infrastructure Advisory Council and also a member of the Victorian Government's Women in Water Leadership Program Oversight Committee.

Special responsibilities: Chair, term as chair completed November 2020  
Member, Audit Committee

Name: Marlon Bridges (Appointed October 2020, resigned April 2021)  
Title: Director, WSAA  
Qualifications: BCOM, DIP.COM, CA  
Experience and expertise:

Marlon Bridges was appointed to the WSAA Board in October 2020.

Marlon Bridge is a senior executive with over 25 years of experience in senior management roles across both the private and public sectors. He has been the chief financial officer of Manukau Water Limited. He has previously been the general manager of retail and chief financial officer for Watercare Services Limited.

Marlon was appointed to the role of deputy chief executive in June 2020. His responsibilities as deputy chief executive included all 'business as usual' operational activities outside of the drought response management.

Special responsibilities: N/A

Name: Jason Devitt  
Title: Director, WSAA  
Qualifications: B Eng  
Experience and expertise: Jason Devitt was appointed to the WSAA Board in November 2018.

Mr Devitt has in excess of 25 years' experience in local government where he began his career in the water industry. He has held a number of management positions in water, waste and roads management.

Mr Devitt is Director of Engineering and Commercial Infrastructure at Mackay Regional Council which provides facilities and services for Mackay in North Queensland including the delivery of water and sewerage services.

Special responsibilities: N/A

## Water Services Association of Australia Ltd

### Directors' report

30 June 2021

Name: Pat Donovan  
Title: Director, WSAA  
Qualifications: B Eng (BA BAI) Mech Eng, FIEAust, GAICD  
Experience and expertise: Pat Donovan was appointed to the WSAA Board in January 2019.

Mr Donovan Chief Executive Officer of Water Corporation, Western Australia's principal supplier of water, wastewater, drainage, and bulk irrigation to more than 1.3 million homes and businesses across the 2.6 million square kilometres expanse of the state.

Mr Donovan has more than 25 years' experience in the gas utility sector in Australia and Ireland. During this time he was previously President of ATCO Gas Australia and held senior executive roles at ATCO and Alinta.

Special responsibilities: Member, Audit Committee  
Chair, Liveable Communities Committee  
Member, Strategic Priorities Committee

Name: Louise Dudley  
Title: Director, WSAA  
Qualifications: B.Com, CA, GAICD, ComplEAustEngExec  
Experience and expertise: Louise Dudley was first appointed to the WSAA Board in February 2013 and was Chair from November 2013 to November 2016.

Ms Dudley has extensive leadership and management experience through her work at advisory firm KPMG and in her role in creating Urban Utilities. She was also in senior executive roles at Brisbane City Council.

Ms Dudley is Chief Executive Officer of Urban Utilities which delivers drinking water, recycled water and sewerage services to customers in South East Queensland. She is also President of the Australian Water Association and Chair of the Australian Water Association Governance and Audit Committee, a Director of Waterstart (US) and a member of the Committee for Economic Development in Australia (CEDA) Queensland State Advisory Council.

Special responsibilities: Chair, Audit Committee  
Member, Strategic Priorities Committee

Name: Andrew George  
Title: Director, WSAA  
Qualifications: BE (Hons), FIEAust, CPEng, EngExec  
Experience and expertise: Andrew George was first appointed to the WSAA Board in May 2020.

Andrew has held a number of Executive positions in WaterNSW since its inception in 2015, where he was part of the inaugural executive team. Andrew has over 10 years' experience in bulk water supply utilities with extensive experience in regulatory and market strategy, government relations, engineering, asset management, and major Infrastructure delivery.

Andrew George is the Acting CEO of WaterNSW which is the bulk water supplier for NSW, river operator and provides licenses, water trades and water information.

Special responsibilities: N/A

## Water Services Association of Australia Ltd

### Directors' report

30 June 2021

Name: Raveen Jaduram (Resigned October 2020)  
Title: Director, WSAA  
Qualifications: BE (Hons), ME, FEngNZ  
Experience and expertise: Raveen Jaduram was appointed to the WSAA Board in November 2019.

Raveen is an experienced senior executive with previous experience as a Managing Director and Chief Executive of an Australian Private water company, Murrumbidgee Irrigation. Prior to this Mr Jaduram was Chief Operating Officer at Watercare during the 2010 amalgamation of the local councils.

Mr Jaduram returned to Watercare in 2013 as the General Manager of Maintenance Services business unit and was appointed the Chief Executive Officer after acting in the role from February 2014. Raveen is also on the Board of New Zealand Government's Infrastructure Commission – Te Waihangā.

Special responsibilities: N/A

Name: John Lamonte (Appointed April 2021)  
Title: Director, WSAA  
Qualifications: PhD, MA, BSc(Hons), CCMI, CMath, CDir, FRICS, FIOD, FIMA, FRIN, FCILT, MInstD, RAF(retd)  
Experience and expertise: Jon Lamonte was first appointed to the WSAA Board in April 2021.

Jon is a former senior officer in the Royal Air Force in the UK, flying operationally before tours in the Ministry of Defence (logistics and procurement). After leaving the Service, he became Chief Executive of Tube Lines, running the engineering and upgrade of London's busiest underground lines before taking over all modes of transport in the Greater Manchester region as Chief Executive for TfGM. More recently, he led Sydney Metro through the opening of their first driverless line, whilst constructing three more lines in Australia's largest public transport project.

Dr Lamonte is Chief Executive of Watercare which provides water and wastewater services to the city of Auckland in New Zealand.

Special responsibilities: N/A

Name: Lara Olsen  
Title: Director, WSAA  
Qualifications: BEng (Chem) (Hons), Barts, MBA, GAICD  
Experience and expertise: Lara Olsen was appointed to the WSAA Board in February 2020.

Ms Olsen has extensive experience in the utility sector, focused on customer experience and innovation. She is a former Global Head of Business Development and Industrial Products at Tesla Energy based in the USA and also led the Business Development and Industrial Products team for Tesla Asia Pacific. Previous roles also include Head of Strategy for CitiPower PowerCor and the Australian Renewable Energy Agency (ARENA), Project Leader with the Boston Consulting Group and co-founding Billcap

Ms Olsen is Managing Director of South East Water which supplies water, wastewater and recycled water services to an area from Port Melbourne to Portsea in Victoria. She is also a Director of Iota Services Pty Ltd, a wholly-owned subsidiary of South East Water.

Special responsibilities: Chair, Customer and Industry Leadership Committee  
Member, Audit Committee  
Member, Strategic Priorities Committee

## Water Services Association of Australia Ltd

### Directors' report

30 June 2021

Name:	David Ryan
Title:	Director, WSAA
Qualifications:	B.Env.Sc, MBA, MCorp Env & Sus Mgt, GAICD
Experience and expertise:	David Ryan was first appointed to the WSAA Board in November 2019.  Mr Ryan has significant experience in the water industry in operations and capital delivery, waterway management and customer solutions.  Mr Ryan was CEO at City West Water in Melbourne from 2016 and prior to this held executive level roles at bulk water company, Melbourne Water including being the Executive General Manager, Service Delivery. He is a president of the Institute of Water Administration and has been a Board Director for VicWater.  Mr Ryan is Chief Executive of SA Water which provides water and wastewater services in South Australia
Special responsibilities:	Chair, Utility Excellence Committee
Name:	Adam Lovell
Title:	Executive Director, WSAA
Qualifications:	BSc Hons (Chem), MES Environmental Engineering Science
Experience and expertise:	Adam Lovell was first appointed to the WSAA Board when he became Executive Director of WSAA in June 2011.  Mr Lovell has over 20 years experience in the water industry and leading strategy and policy development across a broad range of areas. He was Manager, Science and Sustainability at WSAA and part of the Science and Technology group at Sydney Water.
Special responsibilities:	N/A

### Meetings of directors

The number of meetings of the company's Board of Directors ("the Board") held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Roch Cheroux (Chair - appointed November 2020)	5	5
Patrick McCafferty (Chair - completed November 2020)	5	5
Jason Devitt	4	5
Pat Donovan	5	5
Louise Dudley	5	5
Andrew George	5	5
Raveen Jaduram (Resigned October 2020)	2	2
Jon Lamonte (Appointed April 2021)	1	1
Lara Olsen	4	5
David Ryan	5	5
Marlon Bridges (Appointed October 2020, resigned April 2021)	-	2
Adam Lovell (Executive Director)	5	5

Held: represents the number of meetings held during the time the director held office.

### Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$830, based on 83 current ordinary members.

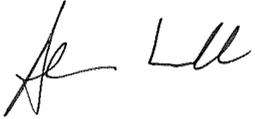
**Water Services Association of Australia Ltd**  
**Directors' report**  
**30 June 2021**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Adam Lovell



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Roch Cheroux

6 October 2021

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**AUDITOR'S INDEPENDENCE DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2021**

As lead auditor for the audit of Water Services Association of Australia Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Water Services Association of Australia Limited.

LOWE LIPPMANN  
CHARTERED ACCOUNTANTS  
LEVEL 7, 616 ST KILDA ROAD  
MELBOURNE, VICTORIA 3004



**LOREN DATT**  
Audit Partner

Signed at Melbourne on 6 October 2021

Liability limited by a scheme approved Professional Standards Legislation

## **Water Services Association of Australia Ltd**

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### **General information**

The financial statements cover Water Services Association of Australia Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Water Services Association of Australia Ltd's functional and presentation currency.

Water Services Association of Australia Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8  
401 Docklands Drive  
Docklands VIC 3008

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on \_\_\_\_\_. The directors have the power to amend and reissue the financial statements.

**Water Services Association of Australia Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>	4	9,669,226	9,545,304
Interest revenue calculated using the effective interest method		25,066	48,235
<b>Expenses</b>			
Corporate and administrative expenses		(460,203)	(862,650)
Employee benefits expense		(3,265,561)	(3,619,417)
Depreciation and amortisation expense		(274,182)	(298,449)
Consultants & contractors		(449,426)	(704,173)
Subscription projects		(4,367,063)	(4,057,667)
Dues & subscriptions		(558,025)	(518,041)
Finance costs		(40,868)	(59,380)
<b>Surplus/(deficit) before income tax expense</b>		278,964	(526,238)
Income tax expense		-	-
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Water Services Association of Australia Ltd</b>		278,964	(526,238)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the members of Water Services Association of Australia Ltd</b>		<u>278,964</u>	<u>(526,238)</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Water Services Association of Australia Ltd**  
**Statement of financial position**  
**As at 30 June 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	3,387,791	1,841,526
Trade and other receivables	6	545,824	1,018,024
Contract assets	7	11,149	21,985
Other financial assets	8	712,451	2,201,889
Other	9	23,301	50,409
Total current assets		<u>4,680,516</u>	<u>5,133,833</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	75,341	83,071
Right-of-use assets	11	330,168	561,558
Intangibles	12	60	16,331
Other	13	13,750	13,750
Total non-current assets		<u>419,319</u>	<u>674,710</u>
<b>Total assets</b>		<u>5,099,835</u>	<u>5,808,543</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	177,438	280,610
Lease liabilities	15	231,519	261,576
Employee benefits	16	859,724	826,494
Other	17	1,717,220	2,376,992
Total current liabilities		<u>2,985,901</u>	<u>3,745,672</u>
<b>Non-current liabilities</b>			
Lease liabilities	18	194,729	426,248
Employee benefits	19	26,998	23,380
Total non-current liabilities		<u>221,727</u>	<u>449,628</u>
<b>Total liabilities</b>		<u>3,207,628</u>	<u>4,195,300</u>
<b>Net assets</b>		<u>1,892,207</u>	<u>1,613,243</u>
<b>Equity</b>			
Retained surpluses		<u>1,892,207</u>	<u>1,613,243</u>
<b>Total equity</b>		<u>1,892,207</u>	<u>1,613,243</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Water Services Association of Australia Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2021**

	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	2,267,563	2,267,563
Adjustments for change in accounting policy to adopt AASB 16	(128,082)	(128,082)
Balance at 1 July 2019 - restated	2,139,481	2,139,481
Deficit after income tax expense for the year	(526,238)	(526,238)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(526,238)	(526,238)
Balance at 30 June 2020	<u>1,613,243</u>	<u>1,613,243</u>
	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	1,613,243	1,613,243
Surplus after income tax expense for the year	278,964	278,964
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	278,964	278,964
Balance at 30 June 2021	<u>1,892,207</u>	<u>1,892,207</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Water Services Association of Australia Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		9,492,490	10,332,297
Payments to suppliers		<u>(9,139,494)</u>	<u>(9,922,653)</u>
		352,996	409,644
Interest received		25,066	48,235
Interest and other finance costs paid		<u>(40,868)</u>	<u>(59,380)</u>
Net cash from operating activities		<u>337,194</u>	<u>398,499</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(18,791)	(15,795)
Payment for other financial assets		-	(57,838)
Payment from other financial assets		<u>1,489,438</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>1,470,647</u>	<u>(73,633)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		<u>(261,576)</u>	<u>(233,204)</u>
Net cash used in financing activities		<u>(261,576)</u>	<u>(233,204)</u>
Net increase in cash and cash equivalents		1,546,265	91,662
Cash and cash equivalents at the beginning of the financial year		<u>1,841,526</u>	<u>1,749,864</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>3,387,791</u></u>	<u><u>1,841,526</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Comparatives**

During the current year certain items have been reclassified to ensure accurate disclosure. Comparative information has been reclassified and repositioned to be consistent with current year disclosures

**Revenue recognition**

The company recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**Note 1. Significant accounting policies (continued)**

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Contract assets**

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

*Investments*

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

**Note 1. Significant accounting policies (continued)**

*Impairment of financial assets*

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Fixtures and fittings	13.33 years
Leasehold improvements	Life of lease
Plant and equipment	5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Note 1. Significant accounting policies (continued)**

**Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

*Website*

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

*Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 1. Significant accounting policies (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 3. Impact of COVID 19 pandemic**

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Water Services Association of Australia Limited at the reporting date. As responses by government continue to evolve management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on , its operations, future results and financial position.

**Note 4. Revenue**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue from contracts with customers</i>		
Product sales	516,154	540,611
Members fees	4,659,413	4,658,281
Subscription projects	4,436,931	4,174,577
	<u>9,612,498</u>	<u>9,373,469</u>
<i>Other revenue</i>		
Other revenue	<u>56,728</u>	<u>171,835</u>
Revenue	<u><u>9,669,226</u></u>	<u><u>9,545,304</u></u>

**Note 5. Current assets - cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<u>3,387,791</u>	<u>1,841,526</u>

**Note 6. Current assets - trade and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	553,625	889,711
Less: Allowance for expected credit losses	(7,801)	(7,929)
	<u>545,824</u>	<u>881,782</u>
Other receivables	<u>-</u>	<u>136,242</u>
	<u><u>545,824</u></u>	<u><u>1,018,024</u></u>

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 7. Current assets - contract assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Contract assets	<u>11,149</u>	<u>21,985</u>

**Note 8. Current assets - other financial assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Term deposits (with an original maturity of more than 3 months)	<u>712,451</u>	<u>2,201,889</u>

**Note 9. Current assets - other**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Prepayments	<u>23,301</u>	<u>50,409</u>

**Note 10. Non-current assets - property, plant and equipment**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Leasehold improvements - at cost	30,689	30,689
Less: Accumulated depreciation	<u>(23,529)</u>	<u>(20,298)</u>
	7,160	10,391
Plant and equipment - at cost	156,988	138,197
Less: Accumulated depreciation	<u>(112,330)</u>	<u>(93,168)</u>
	44,658	45,029
Fixtures and fittings - at cost	98,751	98,751
Less: Accumulated depreciation	<u>(75,228)</u>	<u>(71,100)</u>
	23,523	27,651
	<u>75,341</u>	<u>83,071</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Total
	\$	\$	\$	\$
Balance at 1 July 2020	10,391	45,029	27,651	83,071
Additions	-	18,791	-	18,791
Depreciation expense	<u>(3,231)</u>	<u>(19,162)</u>	<u>(4,128)</u>	<u>(26,521)</u>
Balance at 30 June 2021	<u>7,160</u>	<u>44,658</u>	<u>23,523</u>	<u>75,341</u>

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 11. Non-current assets - right-of-use assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Land and buildings - right-of-use	1,442,912	1,442,912
Less: Accumulated depreciation	<u>(1,112,744)</u>	<u>(881,354)</u>
	<u><u>330,168</u></u>	<u><u>561,558</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Right of use	Total
	\$	\$
Balance at 1 July 2020	561,558	561,558
Depreciation expense	<u>(231,390)</u>	<u>(231,390)</u>
Balance at 30 June 2021	<u><u>330,168</u></u>	<u><u>330,168</u></u>

**Note 12. Non-current assets - intangibles**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Website - at cost	130,286	130,286
Less: Accumulated amortisation	<u>(130,286)</u>	<u>(118,343)</u>
	<u>-</u>	<u>11,943</u>
Software - at cost	22,968	22,968
Less: Accumulated amortisation	<u>(22,908)</u>	<u>(18,580)</u>
	<u>60</u>	<u>4,388</u>
	<u><u>60</u></u>	<u><u>16,331</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website	Software	Total
	\$	\$	\$
Balance at 1 July 2020	11,943	4,388	16,331
Amortisation expense	<u>(11,943)</u>	<u>(4,328)</u>	<u>(16,271)</u>
Balance at 30 June 2021	<u><u>-</u></u>	<u><u>60</u></u>	<u><u>60</u></u>

**Note 13. Non-current assets - other**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Security deposits	<u>13,750</u>	<u>13,750</u>

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 14. Current liabilities - trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	29,734	75,969
Other payables	147,704	204,641
	<u>177,438</u>	<u>280,610</u>

**Note 15. Current liabilities - lease liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Lease liability	<u>231,519</u>	<u>261,576</u>

**Note 16. Current liabilities - employee benefits**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Annual leave	210,714	262,918
Long service leave	649,010	563,576
	<u>859,724</u>	<u>826,494</u>

**Note 17. Current liabilities - other**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Subscription and third party funded project income received in advance	<u>1,717,220</u>	<u>2,376,992</u>

Included in Subscription and third party funded project income received in advance in the 2021 and 2020 financial years respectively are the following:

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 17. Current liabilities - other (continued)**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Smart Approved Watermark	251,584	257,602
W Lab	311,688	200,050
Visitor Centre concept	3,124	10,544
Acute Water fresh guideline value for Chlorine	-	24,545
Circular economy position paper	-	92,500
AM Customer Projects	253,457	733,687
SCADA Guidelines Edition 2	23,705	23,705
Brush Fire Technologies	-	1,740
CX Maturity Framework	19,529	34,364
Australian Water Partnerships	-	67,818
Dam Owners Benchmarking	2,791	3,773
AC Pipe Research	21,959	85,133
Water Main Renewal Planning	56,730	57,659
Innovative Pipe Linings	230,720	555,790
Opex Benchmarking	(30)	203,218
Customer perception Survey'19	-	24,864
2020 Operating Cost Benchmarking	325,487	-
Customer Perceptions 2021	79,862	-
Australian Water Partnership 2020	6,974	-
National Guidelines for LEL (Gas) Management	47,000	-
AC Pipes: Stage 2 - Condition Assessment	63,000	-
Making Waves podcast	20,000	-
	<u>1,717,220</u>	<u>2,376,992</u>

**Note 18. Non-current liabilities - lease liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Lease liability	<u>194,729</u>	<u>426,248</u>

**Note 19. Non-current liabilities - employee benefits**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Long service leave	<u>26,998</u>	<u>23,380</u>

**Note 20. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Aggregate compensation	<u>613,848</u>	<u>612,608</u>

**Water Services Association of Australia Ltd**  
**Notes to the financial statements**  
**30 June 2021**

**Note 21. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Lowe Lippmann, the auditor of the company:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Lowe Lippmann (2020: McLean Delmo Bentleys)</i>		
Audit of the financial statements	<u>15,000</u>	<u>15,538</u>

**Note 22. Contingent liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Bank guarantee	<u>82,500</u>	<u>82,500</u>

**Note 23. Commitments**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Operating and research commitments	<u>982,538</u>	<u>549,600</u>

**Note 24. Related party transactions**

The directors are also board members of various water service-related companies which are members of Water Services Association of Australia Limited. These transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other parties unless otherwise stated.

**Note 25. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

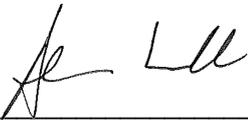
**Water Services Association of Australia Ltd**  
**Directors' declaration**  
**30 June 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the , the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Adam Lovell



Roch Cheroux

6 October 2021

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED**

**Opinion**

We have audited the financial report, of Water Services Association of Australia Limited, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the director's declaration.

In our opinion, the accompanying financial report presents fairly, is in all material respects, in accordance with Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Simplified Disclosure Requirements and the Corporations Regulations 2001.

**Basis for Opinion**

We have conducted our audit in accordance with the 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 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 responsibilities in accordance with 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 at the time of this audit report.

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

**Emphasis of Matter- Effects of COVID - 19**

We draw attention to Note 3 Impact of COVID-19 Pandemic in the financial statements, which describes the actions and impacts on the entity arising from its management of the on-going issues related to COVID. Our opinion is not modified in respect of this matter.

**Responsibilities of the Directors for the Financial Report**

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing the applicable, matters relating 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.

The Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

We have communicated 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 have identify during our audit.

LOWE LIPPMANN  
CHARTERED ACCOUNTANTS  
LEVEL 7, 616 ST KILDA ROAD  
MELBOURNE, VICTORIA 3004



**LOREN DATT**  
Audit Partner  
Signed at Melbourne on 6 October 2021

Liability limited by a scheme approved Professional Standards Legislation