



# 2018-19

## Annual Report



**VicWater**  
BETTER TOGETHER

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## Joint report from the Chair & Chief Executive Officer

2018-19 marked an important period of change for VicWater. It involved the finalisation of our Strategic Plan 2018-2023 and the setting of a new path for our organisation. Five critical result areas emerged from the Plan that focus VicWater's activities to:

- Influence policy and regulation
- Connect leaders and facilitate collaboration
- Be a catalyst for thought leadership and action
- Support the sector for the ever-changing future
- Galvanise resources for collective value.

Industry associations are often challenged to maintain a clear scope of their operations as they face a diversity of industry needs and changing environments. VicWater's Strategic Plan has better defined our scope, creating the foundation for effective management of our strategic projects, improving the efficiency of our operations while enhancing the experience of our members.

To build our capability in support of the Strategic Plan, two new staff roles emerged in 2019. The Operations and Strategic Projects Manager and the Member Experience Manager, respectively held by Jo Lim and Fee Boucher, provide the focus of our organisation on the critical research areas of member collaboration, thought leadership and strategic project management. Since their commencement, results are already being achieved for our sector according to the expectations set by our members.

In addition to building staff capability, we reviewed and reconfigured our governance structures to meet the contemporary needs of our members over the year. Recognising the critical need for collaboration across the sector, through our representations with the Secretary of the Department of Environment Land Water and Planning (DELWP), we initiated an action-focused group that will jointly plan and execute the mutual priorities of the sector. The Water Security Stakeholder Advisory Group (WSSAG) has executive and non-executive director representation from across the sector and terms of reference to meet the priorities of the sector. Critical projects will be seen to arise from the group in 2019-20.

While policy and advocacy are core roles of VicWater, supporting our sector's growth to meet contemporary and future needs is also critical. VicWater's Diversity and Inclusion Steering Committee (DISC) has overseen finalisation of the Water Industry Equity, Diversity and Inclusion Strategy 2019-2023. The Strategy complements the plans and programs of our members and sets critical targets that will continue to drive our industry toward representative governance and operations.

As we focus our work more deeply on member priorities, some of our working groups and networks have been finalised with recognition of the growing roles of Special Interest Groups under the auspices of our partnering association, the Institute of Water Administration (IWA). Specifically, the conclusion of the Learning and Development Network, Training and Development Committee and Biosolids Network have coincided with their reorganisation into the relevant Special Interest Groups. In support of the new focus, VicWater's role of Training and Development Manager was concluded at the end of the year. We thank Paul O'Brien for his commitment to this role over many years.

2018-19 also saw the completion of the Supply Chain Excellence Program (SCEP). The program was successful in facilitating collaborative efficiencies in the Victorian water sector over four years. Seventeen members participated and contributed to the program's achievements that included \$31 million in current and forward efficiencies and new models such as chemicals service management, electricity portfolio management along with new capabilities including energy data analytics and annual five-year forecast updates. SCEP also drove early adoption of the Victorian Government's Social Procurement Framework, which is now well in train. We thank Satvik Gangavarapu and Chris Feil for their management of the program.

During May 2019, VicWater saw a change in leadership from Tony Wright to Peter Morison as Chief Executive Officer. We thank Tony Wright for his direction and support of our sector during his time at VicWater. We also acknowledge April Jenkins, previously VicWater's Marketing and Communications Officer, for her dedication and assistance to our industry.

Supporting the initial execution of our Strategic Plan, the VicWater Council at the November 2018 Annual General Meeting agreed to a budget deficit position of \$67,000. However, due to the achievement of operational efficiencies sought by the management team, VicWater finished the 2018-19 year with a reduced deficit of \$50,166. Given all VicWater's funds are used to support our members, the financial result sets a confident trajectory of future performance.

In summary, 2018-19 marked a period of distinct evolution for VicWater to meet the rapid and diverse challenges that our sector faces, and we recognise the significant role it plays in the liveability of the Victorian community. Consistently and capably meeting the essential needs of our community for water supply, wastewater, and waterways and drainage services is the reward our sector humbly enjoys.

We thank the VicWater Board and staff for their dedication to our organisation and to our members as better together. We are justifiably proud to represent the Victorian water industry and look forward to supporting it through its next exciting phase of leadership and growth.



Jo Plummer, Chair



Peter Morison, CEO

# Highlights for the Year

## VicWater Strategic Plan 2018-2023

Last year saw VicWater engage closely with our members to refresh our strategic plan for the next five-year period. A draft plan was socialised through a variety of mechanisms including the MDs and Chairs Forums, webinars and one-on-one sessions with the VicWater Chair and CEO.

The final Strategic Plan was presented at the Association’s AGM in November 2018, where it received formal Council endorsement.



## Water Industry Equity, Diversity & Inclusion Strategy 2019-2023

In June 2019 the VicWater Diversity & Inclusion Steering Committee (DISC), comprising all 19 water corporations, finalised the new Water Industry Equity, Diversity & Inclusion Strategy 2019-2023. The Strategy is a high-level document articulating our industry's commitment to growing a diverse workforce and inclusive workplace culture, which is reflective of the communities in which we work and live.

The Strategy sets the following collective industry targets, recognising that all water corporations have their own strategy and targets appropriate to their own circumstances:

- Gender balance (50:50) in senior leadership positions.
- 10% of our workforce identify as a person with disability.
- 20% of our workforce speak a language other than English.
- 3% of our workforce identify as Aboriginal and/or Torres Strait Islander.
- 35% of our workforce identify as carers, with caring responsibilities for children, elderly family, a person with disability or other caring responsibility.
- 7% of our workforce identify as belonging to the LGBTI+ communities.
- Flexible work arrangements are available to all employees unless there is a specific operational constraint.
- 35% of employees work flexibly (through informal and formal flexible working arrangements).

The DISC will prepare an annual performance report for water corporation Chairs and the Minister for Water on progress against the Strategy. The DISC will also provide a vehicle for sharing information and best practice among water corporations, and for collaboration on other diversity and inclusion projects and initiatives across the industry.





**Guiding principals**

- We are committed to enabling equity within the industry, understanding that some individuals and groups within Victoria experience sustained disadvantage or systemic barriers to gaining employment and progressing within organisations.
- We are committed to growing an inclusive water industry, which recognises and seeks to manage unconscious biases and stereotypes, and where everyone, regardless of background, feels they belong and can make meaningful contributions.
- As the Victorian water industry, we strive to be a leader in equity, diversity and inclusion.
- We take a whole of industry approach to supporting and embedding practices that support equity, diversity and inclusion, through collaboration and knowledge-sharing.

**Why grow an equitable, diverse and inclusive water sector?**

- Organisations with higher levels of demographic diversity experience greater innovation and improved decision-making.
- Industries and organisations that are viewed as equitable, diverse and inclusive are better-placed to attract diverse talent.
- Organisations that reflect the diversity of the communities they serve gain greater insights into their customer's and community needs.
- Recognising barriers to employment and seeking to address these has broader benefits for our communities and society.

**What we plan to achieve**

- We increase the diversity of our workforce to better reflect our communities and seek to retain our diverse talent.
- We leverage our diverse workforce through growing an inclusive culture, to improve our innovation and performance as a sector.

**How we plan to achieve this**

- We build our reputation as an industry committed to equity, diversity and inclusion, to enable us to attract diverse talent.
- We leverage our collective knowledge, connect and collaborate across the industry.
- We develop new pathways into and within the industry, particularly for groups that experience barriers to employment.
- We gather and report on industry-wide data to enable evidence-based decision making and tracking of progress over time.
- We look for opportunities to form partnerships to build on opportunities that embrace inclusion.

Our framework for an equitable, diverse and inclusive workforce

## Supply Chain Excellence Program

The Supply Chain Excellence Program (SCEP) reached its final milestone in June 2019, with member water corporations well placed to build on the program's achievements.

During its four years of operation, SCEP was successful in facilitating collaborative efficiencies in the Victorian water sector, with 17 water corporations participating and contributing to the program's achievements including:

- Facilitating collaborative efficiencies – SCEP facilitated \$31 million in current and forward efficiencies under the guidance and endorsement of the VicWater MD's Forum. New models such as chemicals service management, electricity portfolio management approaches were introduced along with new capabilities including energy data analytics and annual five-year forecast updates.
- Endorsed by the Victorian Government – water corporations were acknowledged by DELWP and the Department of Treasury and Finance for progressing efficiency initiatives through shared services in partnership with VicWater.
- Future collaboration – SCEP provided a roadmap for shared efficiencies through the Shared Outcomes approach. This approach has successfully built on the Victorian Government's Efficiency Rebate initiative and was inclusive of opportunities identified by water corporations in their 2018 pricing submissions.
- Social procurement – the Victorian water sector became an early adopter of the Victorian Government's Social Procurement Framework to drive community, economy and environment benefits through procurement initiatives. Water corporations are now able to directly organise and progress initiatives to allow for greater outcomes in the future.



## Policy and Regulation

### Influencing the future of the water industry

The past year has seen significant progress across a range of water policy areas, including emerging contaminants, sewerage management, recycled water, waste and the circular economy, and red tape.

#### Emerging contaminants

During 2019 VicWater launched an industry-wide risk assessment of emerging contaminants in wastewater discharges. What began as part of preparations for the periodic licence review by the Environment Protection Authority Victoria (EPA) is now a foundational project in its own right.

The water industry is embarking on a major transformation under Victoria's new environmental legislation, which requires water corporations as 'duty holders' to identify and assess all risks associated with their activities. With thousands of new chemicals entering use every year, individual water corporations would face an impossible task of assessing the risks of emerging contaminants in wastewater.

VicWater leveraged a Melbourne Water research project to offer a comprehensive, low-cost emerging contaminant risk assessment at 88 wastewater treatment plants. This risk assessment methodology, which is supported by the EPA, will set the direction of licence compliance for several years by establishing a baseline for considering risks, assessing options and implementing controls. This project will also save significant expenditure, both now and in the future, by establishing a low-cost model for meeting this key regulatory requirement

## Sewerage management

During the State Environment Protection Policy (SEPP) (Waters) review, VicWater has worked closely with water corporations, DELWP and the EPA to make the regulation of sewerage networks more flexible and risk-based. A significant change in the SEPP aligned the framework to the new Environment Protection (EP) Act. The new risk-based policy requires water corporations to balance risks against the availability and cost of mitigation options, rather than implement a rigid infrastructure standard.

During late 2018, the water industry, together with the EPA, completed a new industry guidance on sewerage management. This guidance document articulates how to apply the new, more flexible, provisions in the draft SEPP to allow more sophisticated approaches to protecting the environment and improve overall outcomes.

Many water corporations identified considerable cost savings associated with these changes in their 2018 pricing submissions to the Essential Services Commission (ESC).

Sewerage management will be a test case for the new EP Act General Environmental Duty (GED), with the water industry at the forefront of implementing this approach.

## Environment Protection (EP) Act transition

The new EP Act marks a transformation in Victoria's environmental legislation. Unlike the outgoing EP Act, which simply put applied a broad prohibition on many activities with subordinate instruments providing a legal exemption to this broad prohibition (for example, licensing a discharge), the new EP Act generally permits activities as long as they are performed in accordance with the General Environmental Duty (GED). Thus, the role of the subordinate instrument is fundamentally different, more flexible and more risk-based. VicWater has been closely involved the development of subordinate instruments that will set out the new framework for approvals, priority waste management and fees.

## Recycled water

As water corporations rapidly increase their customers' connections to recycled water and implement more innovative and sophisticated systems, there is also a need to ensure the regulatory framework is modernised. During 2018, VicWater played a major role in scoping a review of the EPA regulatory instruments for recycled water. VicWater has since focused on carefully structuring approvals, notification and audit frameworks to minimise unnecessary regulatory burden and provide for continual improvement and efficiency of water operation.

## Buffer protection

DELWP's review of Planning for Buffers and Separation distances continued in 2018-19 with an industry workshop and options analysis. VicWater's proactive engagement with the planning group of DELWP on the topic of water infrastructure buffer protection has been instrumental in maximising the water corporations' involvement in this policy review. Water corporations will benefit immensely from a more robust set of planning referral arrangements to protect buffers and reduce water corporations' use of costly Victorian Civil and Administrative Tribunal processes to protect community assets from inappropriate development.

## Construction procurement

The Government's revised Ministerial Directions for Public Construction Procurement triggered a major new project for VicWater. VicWater nominated the industry representative to the Department of Treasury and Finance (DTF) Public Construction Procurement Committee, which provides advice to the Minister for Finance and Secretary of DTF regarding the operation of the Ministerial Directions. We held an industry workshop and briefing from DTF on the operation and requirements under the new Ministerial Directions. We negotiated with DTF to reduce the burden of transitional arrangements to allow water corporations to continue with the important business as usual, and to reduce the burden of the annual compliance attestation.

## Circular economy

Despite playing a critical role in liquid waste management, the water industry has historically operated separately from parts of government involved in managing solid waste streams. This distinction is increasingly blurred as water corporations have built waste-to-energy facilities, some targeting food waste streams, as part of efforts to reduce carbon emissions and increase its energy supply in an environmentally friendly way. VicWater is working closely with DELWP (waste) and Sustainability Victoria, to maximise opportunities for water corporations as part of the Government's Circular Economy Policy.

## Other policy areas

VicWater is active in a range of other policy areas that are shaping the future of the water industry, including: recreational access to water storages; water grid and market reforms; onsite domestic wastewater systems; plumbing standards; financial accounting standards; infrastructure planning; supply of drinking water; and catchment management.

## Enhancing collaboration

### Collaboration on regulatory policy reforms

A range of forums, workshops, meetings and teleconferences ensure strategic oversight and technical input from water corporations in the many policy and regulatory topics in which VicWater is active. Depending on the nature of the issues under discussion, and the direction set by participants, these provide a robust but flexible framework that empowers VicWater to achieve positive outcomes in a complex policy environment.

Highlights include:

- Construction procurement – when a new whole-of-government policy comes into place, such as the new government Construction Procurement standard, VicWater will immediately assess the changes for opportunities, risks or duplication with existing regulations. Often an industry workshop is required for water corporations to discuss changes with the government regulators, understand new obligations, and identify opportunities to streamline requirements and reduce red tape. Government regulators are willing partners in this process, with an equal interest in identifying mutual efficiencies and maintaining a focus on the outcomes not the administrative processes
- Emerging contaminants risk assessment – water corporations are collaboratively embarking on a major effort to understand the risks of emerging contaminants in wastewater systems. Emerging contaminants, such as poly-fluoroalkyl substances (PFAS), can originate both in household sewerage and from industrial sources. Disposal of PFAS to the sewer can equally be legal, malicious and unknowing. With new obligations surrounding these diverse and highly complicated risks, water corporations are collaborating to save money whilst protecting public health and the environment.

## Supporting extraordinary performance

### Reduction of Red Tape

During 2018-19 VicWater worked on over 30 separate policy and regulatory subject areas, on behalf of the water industry. VicWater works to reduce red tape and regulatory burden in these subject areas by negotiating with regulators to adopt risk-based standards, flexible approval processes and industry-based guidance. Examples include:

- new regulatory approval processes in the Recycled Water Guidelines
- low cost environmental risk assessments
- streamlined reporting against Ministerial Standing Directions.

Although some red tape reduction outcomes apply to a single event (like the EPA licence review), others deliver permanent operational efficiencies into the future

Submissions to the 2018 ESC water pricing review showed water corporations are achieving operational efficiencies of between 1 and 3 percent per annum. VicWater's red tape reduction work program is responsible for an important share of this value.

### Compliance attestations

Compliance attestations are an increasingly common tool for government to monitor the performance of diverse departments and entities, offering a standardised approach across government. VicWater supports boards and corporations to consistently and systematically interpret and apply the standardised obligations or principles to the unique attributes of the water sector. VicWater's role assists water corporations and government regulators to balance policy intent and outcomes with efficiency by negotiating a clear water industry approach.



## VicWater Networks and Working Groups

VicWater supports a number of different industry networks and working groups. While the focus and output of these networks and groups varies according to need, they all play a vital role in connecting people across the sector on issues of common interest and mutual benefit.

- **Water Security Strategic Advisory Group (WSSAG)** – a partnership between VicWater and DELWP, the WSSAG was established in early 2019 to provide advice and recommendations regarding future water security for urban and metropolitan Victoria, with the intent that the state is well placed to meet water needs in a changing climate in a way that is affordable, enhances liveability and protects the environment.
- **Water Industry Reference Group (WIRG)** – water corporations and the EPA have continued to support the new WIRG model, which places a greater emphasis on technical working groups focused on specific issues and meeting as required. During 2018-19, WIRG technical working groups oversaw numerous policy and regulatory topics, including: sewerage management; risk assessment guidelines; and emerging contaminants.
- **Construction Procurement Working Group** – VicWater formed the Construction Procurement Working Group in 2018, tasked with articulating the water industry's approach to the construction procurement compliance attestation and developing a suite of compliant construction procurement contracts.
- **Recycled water working groups** – VicWater has continued to coordinate a suite of working groups covering the multifaceted regulatory framework for recycled water, including: Department of Health and Human Services notification and audit regimes; Victorian Building Authority compliance and enforcement; DELWP legislation; the EPA guidelines for third pipe systems; and developing new water corporation industry standards. Each topic requires strategic oversight and technical input from water corporations.
- **Social Procurement Working Group** – facilitated by VicWater and led by Leanne Hill at Melbourne Water, in 2019 the working group engaged Action Sustainability to undertake a whole of sector supply chain risk assessment in relation to the threats and opportunities posed by emerging environment, social and economic sustainability issues. The project was presented and discussed at a series of workshops and covered the following critical procurement areas: asset maintenance; equipment; construction; corporate; IT; and customer. This project as an industry-wide collaboration is a first in Australia.

- VicWater Dams Working Group – managed by the Dams Steering Committee, the working group undertook a number of projects during 2018-19 including: dams training; online forums; resources; sharing information on upcoming operator-related projects; lone operators and remote communications; and local government dams safety.
- Women in Water Directors Network (WWDN) – VicWater provides secretariat support to the WWDN, which was established during 2017-18 to provide a place and space for women directors of water corporations to network, collaborate, mentor and support each other, to ensure the Victorian water industry can achieve a truly diverse and equitable water sector. In 2019 the WWDN held two networking events, and ran a mentoring program for women directors.
- VicWater Learning and Development Network – prior to its conclusion in June 2019, the Network, together with the Water Industry Operators' Association, completed the Technical Competencies Project. This project produced guidance material on the development of technical competency frameworks for the Victorian water industry, including examples and case studies provided by several Victorian water corporations which demonstrate approaches for planning and delivery of learning and development programs to achieve technical competency, as well as manage ongoing professional development.
- VicWater OH&S Network – led by the OH&S Steering Committee, the Network provides a valuable forum for OH&S professionals within water corporations to share information and best practice, and to identify and respond to OH&S-related issues of importance to the industry. During the year, the Network led a significant industry project, reviewing best practices to mitigate the significant risks associated with driving motor vehicles. After a survey of members, and holding two-day workshop involving the Transport Accident Commission (TAC), the network prepared a series of recommendations that have affected the policies and procedures, competency standards, procurement and risk management associated with the safe driving of motor vehicles. Given this poses one of the greatest risks for employees of water corporations, the product of the Network's efforts has succeeded to bring about higher levels of safety that benefit the broader community.

## Member Experience



### 2018 Annual Conference – 13&14 September 2018

The Annual Conference is our major showpiece, and the theme for 2018, “Robust Strategies for a Volatile World”, provided another standout program of presenters for the industry’s development. We hosted an impressive 175 delegates over the two days at InterContinental Melbourne the Rialto.

Day one highlights included: Neil Coulson, who delivered the opening address on sources of workforce volatility and developing robust strategies to respond to them; Professor Damien Giurco, Professor of Resource Futures, who looked at how we navigate the future in an interdependent world with respect to trends and disruptive influences; and Chris Riddell, Futurist, who inspired many at the close of the first day with his presentation “Beyond tomorrow:

The human revolution” providing insights on emerging trends in our hyper connected world.

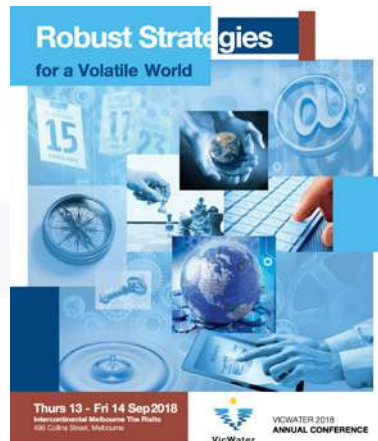
Professor John Thwaites, Chair of Melbourne Water and Chairman of Monash Sustainable Development Institute and ClimateWorks Australia opened the program on day two, presenting an overview of insights into the lessons learned from the Millennium Drought as an introduction to the keynote address from Dr Anthony Turton from South Africa. Dr Turton spoke on the lessons from the Cape Town water crisis, followed by an interview between the two presenters, further discussing diversity of water supply and conservation strategies.





At the Annual Conference dinner, we were pleased to welcome back MC Arron Wood and The Hon Lisa Neville who provided delegates with insights into the Government’s progress on Water for Victoria and Adaption Action Plans, priorities and direction. The evening’s presentations also included Ben Spedding, VicWater 2018 Emerging Leader Award recipient, and an address by Meredith Scott, CEO of Opportunity International, who spoke about the financial tools and partnerships that are helping to provide clean water, improve sanitation, and ultimately, end extreme poverty.

The Annual Conference also hosted the official launch of the Women in Water Directors Network (WWDN). Guests heard from speakers who delivered an informative and engaging experience, and there were opportunities to reconnect and form new connections with women directors and other guests from the sector.



## 2019 Finance Conference – 23 May 2019

The Finance Conference continues to be strongly supported by not only finance personnel from the Victorian water industry but other relevant stakeholders, providing opportunities for delegates to remain abreast of current financial issues prior to embarking on their annual financial statements. It also provides delegates with valuable networking opportunities.

The 2019 Finance Conference was held at the Event Centre in Melbourne. The theme of the conference was “The Future State of Finance” and approximately 100 delegates heard guest speakers including Professor John Thwaites, Professor Joanne Chong, Catherine Rooney, Natalie Foeng, Brett Mathieson, Chris Feil, Leanne Hill and Dave Lourdes. The Conference was followed by a dinner and trivia night with Funky Bunch Entertainment, always a crowd favourite.





## 2019 Audit & Risk Symposium – 12 June 2019

VicWater welcomed around 50 delegates to the 2019 VicWater Audit and Risk Symposium at the Deakin Corporate Centre in Melbourne’s Docklands.

The one-day symposium featured guest speakers including Adam Lines and Jeanna Briers from KPMG, Sandeep Reddy from Deakin University, Krist Davood from Pitcher Partners, Geoff Steenham and Marty Gent from DELWP, as well as panel guests, Victorian Energy & Water Ombudsman Cynthia Gerbert, Independent Broad-based Anti-corruption Commission CEO Alistair Maclean, Matthew Dunbar from Barwon Water, Renee Cassidy from the Victorian Auditor-General’s Office and Sandeep Reddy.



## Seminars, forums and workshops

In addition to VicWater's major conferences, we also organise several seminars, forums and other events which provide opportunities for the Victorian water industry, stakeholders and regulators to engage on a range of issues.

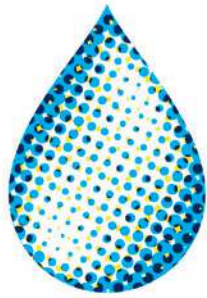
These events provide a critical opportunity to informally discuss, negotiate and resolve issues between water corporations and the government regulators. They also help water corporations maintain strong collaborative relationships with each other, and with government partners.



Some of the seminars, forums and workshops delivered during the 2018-19 period include:

- Water Industry Dams Seminar, 1&2 August 2018 – this event, organised by the VicWater Dams Working Group, was sponsored by DELWP and featured a presentation by the Deputy Chief Fire Officer Matt Potter as well as a site visit to Melbourne Water's Upper Yarra and O'Shannassy Dams. The event was very well subscribed with over 60 participants from across the Victorian water industry, including some local government participants.
- Dams Workshop, 1 March 2019 – engineers, operators and trainers attended a workshop to review the training for dams operators, based on the Units of Competency in the national Water Training Package. The workshop was both part of a project being conducted by the VicWater Dams Working Group and a project by Australian Industry Skills to review the Water Training Package. The aim of the workshop was to enhance the alignment of the training provided with the real needs and experience of the operators and their engineers in the field, taking into account such issues as technological and regulatory drivers.
- VicWater OH&S Network Seminar, 26&27 March, 2019 – this event was hosted by Melbourne Water at the Western Treatment Plant. The program focused on emergency management, with guest speakers from the Metropolitan Fire Brigade, Victoria Police and WorkSafe Victoria.





## 2018 Rural Water Awards

The Rural Water Awards are held biennially and recognise and reward Victorian rural water users that have developed or adapted clever ideas that have saved water or increased productivity. In 2018 we received 18 nominations from rural water customers across Victoria, and the winners in each category were presented at a gala presentation lunch on 9 November 2018.

### 2018 Rural Water Award winners:

- Irrigation category  
– Ben Leversha
- Surface Water category  
– Schreurs & Sons
- Groundwater category  
– Norton Estate
- Community & Education category  
– Merbein P-10 aquaponics program
- Farm to Plate category  
– Bacchus Marsh Strawberry Forest

# Financial Statements

VICTORIAN WATER INDUSTRY ASSOCIATION INC.

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BOARD'S REPORT

Your Board members submit the financial report of the Victorian Water Industry Association Inc. for the financial year ended 30 June 2019.

## Board Members

The names of Board members throughout the year and at the date of this report are:

Peter Vogel (ceased 22 November 2018)

Jo Plummer

Patrick McNamara (ceased 22 November 2018) Jeff Rigby

David Ryan

Gabrielle Bell

Robyn McLeod

Naomi Cleary (appointed 5 December 2018)

Catherine Scott (appointed 5 December 2018)

## Principal Activities

The principal activities of the Association during the financial year were to act as the peak organisation for the Victorian water industry.

## Significant Changes

No significant change in the nature of the activities occurred during the year.

## Operating Result

The deficit after providing for income tax for the 2019 financial year amounted to \$50,166 (2018: Deficit \$36,023).

Signed in accordance with a resolution of the members of the Board:

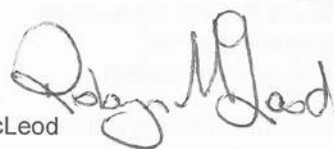
Signed:  
Jo Plummer  
Board Chair



Melbourne

Dated: 30.10.2019

Signed:  
Robyn McLeod  
Director



VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
<b>INCOME</b>			
Event Registrations		373,486	347,399
Interest Received		19,542	23,465
Member subscriptions		805,482	796,951
Special Projects		645,707	456,509
Sponsorship		59,800	116,250
Sales of Manuals & Sundry Income		-	1,430
Employee Contributions		29,674	9,652
Parental Leave Fund		-	12,510
Training Grants		45,685	-
<b>TOTAL INCOME</b>		<b>1,979,376</b>	<b>1,764,166</b>
<b>EXPENDITURE</b>			
Accounting & Audit		14,600	12,400
Advertising		965	33
Bad Debts		-	-
Bank Charges		697	991
Computer Expenses		31,953	24,105
Consultants & Contractors		112,370	122,466
Depreciation		63,241	39,052
General Expenses		28,153	23,037
Insurance		30,235	22,811
Maintenance & Office Expenses		9,018	10,607
Motor Vehicle Expenses		29,666	20,219
Office Rent		70,141	64,134
Payroll Tax		37,890	20,477
Legals		11,999	5,405
Printing & Stationery		862	966
Postage & Couriers		101	208
Power & Water		4,082	3,532
Professional Development		8,954	1,708
Sponsorship Expenses		14,988	14,901
Staff Amenities		1,036	325
Subscriptions & Fees		12,955	17,543
Salaries & Related Expenditure		1,311,566	1,079,453
Telephone Expenses		6,607	6,289
Travel & Accommodation		6,033	33,527
Venue Hire		221,429	255,339
Loss on Sale of Motor Vehicle		-	2,472
<b>TOTAL EXPENDITURE</b>		<b>2,029,542</b>	<b>1,800,189</b>
<b>Current surplus (deficit) before income tax</b>		<b>(50,166)</b>	<b>(36,023)</b>
Income Tax Expense	1 (a)	-	-
<b>Net current year surplus/(Deficit)</b>		<b>(50,166)</b>	<b>(36,023)</b>
Retained Surplus at the beginning of the financial year		758,338	794,361
Retained Surplus at the end of the financial year		708,172	758,338

VICTORIAN WATER INDUSTRY ASSOCIATION INC.

ASSETS AND LIABILITIES STATEMENT FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on Hand	2	1,513,170	2,064,202
Accounts Receivable and Other Debtors	3	286,752	318,635
Prepayments		59,688	117,822
<b>TOTAL CURRENT ASSETS</b>		<b>1,859,610</b>	<b>2,500,659</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	4	156,701	202,360
<b>TOTAL NON-CURRENT ASSETS</b>		<b>156 701</b>	<b>202.360</b>
<b>TOTAL ASSETS</b>		<b>2,016,311</b>	<b>2,703,019</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Other Payables	5	1,244,089	1,779,596
Employee Provisions	6	54,312	144,623
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,298,401</b>	<b>1,924,219</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions	6	9,738	20,462
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9 738</b>	<b>20,462</b>
<b>TOTAL LIABILITIES</b>		<b>1,308,139</b>	<b>1,944,681</b>
<b>NET ASSETS</b>		<b>708,172</b>	<b>758,338</b>
<b>MEMBERS' FUNDS</b>			
Retained Surplus		708,172	758,338
<b>TOTAL MEMBERS' FUNDS</b>		<b>708,172</b>	<b>758,338</b>



VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members' Fees and Subscriptions		805,482	796,951
Interest Received		19,542	23,465
Receipts from Special Projects, Seminars & Grants		1,594,581	1,157,950
IWN Funding Received	5	975,000	900,000
Payments to Suppliers and Employees		<u>(3,928,055)</u>	<u>(4,601,351)</u>
<b>Net Cash Provided by Operating Activities</b>	<b>10</b>	<b><u>(533,450)</u></b>	<b><u>(1,722,897)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property plant and equipment		-	-
Purchase of property, plant and equipment		<u>(17,582)</u>	<u>(179,119)</u>
<b>Net Cash Used in Investing Activities</b>		<b><u>(17,582)</u></b>	<b><u>(179,119)</u></b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>(551,032)</b>	<b>(1,902,016)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b><u>2,064,202</u></b>	<b><u>3,966,218</u></b>
<b>Cash and cash equivalents at end of financial year</b>	<b>2</b>	<b><u>1,513,170</u></b>	<b><u>2,064,202</u></b>

## VICTORIAN WATER INDUSTRY ASSOCIATION INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

#### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act (2012). The Board has determined that the Association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

#### **(a) Income Tax**

The Association is exempt from income tax under s50-1 and s50-40 of the Income Tax Assessment Act 1997.

#### **(b) Property, Plant and Equipment (PPE)**

Property, Plant and Equipment are carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

#### **(c) Impairment of Assets**

At the end of each reporting period, the Board reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

#### **(d) Employee Provisions**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

#### **(e) Provisions**

Provisions are recognised when the Association 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### **(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of three months or less.

VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable. 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.

**(h) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Grant income is recognised when the Association obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the Association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

**(i) Leases**

Leases of PPE where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(j) 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 assets and liabilities statement.

**(k) 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 Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## VICTORIAN WATER INDUSTRY ASSOCIATION INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

#### (I) New Accounting Standards and Interpretations not yet mandatory or early adopted

##### AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Association will adopt this standard from 1 July 2019. As at the reporting date, the Association has assessed the impact of the standard and management believe application of the new standard does not significantly impact on the Association.

##### AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The entity will adopt this standard from 1 July 2019. As at reporting date, the entity has assessed the impact of the standard and the expected impacts are as follows:

1. Increase in assets and liabilities amounting to \$405,672 and \$435,317 respectively;
2. Decrease in the retained earnings position on the statement of financial position in the amount of \$29,645.
3. It is not expected that there will be any net impact on the statement of cash flows.

VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 (\$)	2018 (\$)
<b>NOTE 2: CASH ON HAND</b>		
Cash on Hand	50	50
Citylink Tolls Top-Up	129	89
Cash at Bank	676,369	760,170
Cash on Deposit - IWN Funding	836,622	1,303,893
	<u>1,513,170</u>	<u>2,064,202</u>
<b>NOTE 3: ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
Accounts Receivable	136,752	98,635
VicWater	150,000	220,000
IWN	286,752	318,635
	<u>286,752</u>	<u>318,635</u>
<b>NOTE 4: PROPERTY, PLANT AND EQUIPMENT</b>		
Furniture & Fittings - at cost	148,066	140,294
Accumulated Depreciation	(43,617)	(22,243)
	<u>104,449</u>	<u>118,051</u>
Equipment - at cost	123,944	114,134
Accumulated Depreciation	(84,727)	(57,399)
	<u>39,217</u>	<u>56,734</u>
Computer Software - at cost	11,924	11,924
Accumulated Depreciation	(10,324)	(6,349)
	<u>1,600</u>	<u>5,575</u>
Motor Vehicle - at cost	31,694	31,694
Accumulated Depreciation	(20,259)	(9,694)
	<u>11,435</u>	<u>22,000</u>
Total property, plant and equipment	<u>156,701</u>	<u>202,360</u>
<b>NOTE 5: ACCOUNTS PAYABLE AND OTHER PAYABLES</b>		
Trade Payables	187,936	93,669
VicWater	96,970	153,019
IWN	25,250	16,750
Income in Advance	7,466	49,751
Water Industry Procurement Project	926,467	1,466,407
IWN Funding	1,244,089	1,779,596
	<u>1,244,089</u>	<u>1,779,596</u>

From 1 February 2016 the State of Victoria (Department of Environment, Land, Water and Planning) co-signed the Association funding agreement for the "Intelligent Water Network Program" from South East Water. The amount of additional funding received in the 2019 year was \$975,000, of which \$926,467 is still to be expended.

VICTORIAN WATER INDUSTRY ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 (\$)	2018 (\$)
<b>NOTE 6: EMPLOYEE PROVISIONS</b>		
<b>Current</b>		
Annual Leave Entitlements	24,025	80,982
Long Service Leave Entitlements	30,287	63,641
	<u>54,312</u>	<u>144,623</u>
<b>Non-Current</b>		
Long Service Leave Entitlements	9,738	20,462
	<u>9,738</u>	<u>20,462</u>
<b>NOTE 7: LEASING COMMITMENTS</b>		
Operating Lease Commitments		
Being for rent of office		
Payable - minimum lease payments:		
- not later than 12 months	71,214	68,640
- later than 12 months but not later than five years	355,384	301,284
- later than five years	-	125,315
	<u>426,598</u>	<u>495,239</u>

The office lease is a non-cancellable lease with a seven-year term payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments be subject to increase by the 3.75% p.a. The current lease expires on 30 November 2024.

**NOTE 8: CONTINGENCIES**

In the opinion of the Board the Association did not have any contingencies at 30 June 2019 (30 June 2018: None).

**NOTE 9: EVENTS AFTER BALANCE DATE**

The financial report was authorised for issue by the Board.

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

VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

NOTE	2019 (\$)	2018 (\$)
<b>NOTE 10: FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax</b>		
Profit/(Loss) after Income Tax	(50,166)	(36,023)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit/(loss)		
- Depreciation/Loss on asset scrapping	63,241	39,052
- Net (Gain)/Loss on Sale of Fixed Asset	-	-
Changes in assets and liabilities		
Increase/(Decrease) in Employee benefits	(98,064)	44,982
Increase/(Decrease) in Trade and Other Payables	(538,478)	(1,407,708)
(Increase)/Decrease in Trade Debtors	31,883	(278,677)
(Increase)/Decrease in Prepayments	58,134	(84,523)
	<u>(533,450)</u>	<u>(1,722,897)</u>
<b>NOTE 11: IWV FUNDING</b>		
<b>Cash Deposit Account (see Note 2)</b>		
Funds Carried Forward	1,303,893	2,907,384
Membership Fees Paid	950,000	650,000
GST Liability Paid	25,000	65,000
Member Contribution to Project	75,000	
Interest Received	17,774	56,257
	<u>2,371,667</u>	<u>3,678,641</u>
Expenses	1,535,045	2,374,748
Balance at 30 June	<u>836,622</u>	<u>1,303,893</u>
<b>IWV Liability Account (see Note 5)</b>		
Funds Carried Forward	1,466,407	2,907,384
Membership Fees Invoiced	850,000	900,000
GST Liability Paid	25,000	65,000
Member Contribution to Projects	75,000	
Interest	17,774	56,257
	<u>2,434,182</u>	<u>3,928,641</u>
Expenses	1,507,715	2,462,233
Balance at 30 June	<u>926,467</u>	<u>1,466,407</u>

VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
<b>Reconciliation of IWN Cash held to IWN Liability Owning</b>			
Balance of IWN Cash Deposit Account at 30 June		<u>836,622</u>	<u>1,303,893</u>
Membership Fees not yet paid		150,000	250,000
Outstanding transfers for June		60,155	(87,486)
Balance of IWN Liability Account at 30 June		<u>926,467</u>	<u>1,466,407</u>

**NOTE 12: ASSOCIATION DETAILS**

The principal place of business of the association is:

Victorian Water Industry Association Inc.

Level 2

466-468 Little Lonsdale Street

Melbourne, Victoria 3000



VICTORIAN WATER INDUSTRY ASSOCIATION INC.  
ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL  
POSITION OF INCORPORATED ASSOCIATION

We, Jo Plummer and Robyn McLeod, being members of the Board of the Victorian Water Industry Association Incorporated, certify that-

The statements attached to this certificate, give a true and fair view of the financial position of the Victorian Water Industry Association Incorporated during and at the end of the financial year of the association ending on 30 June 2019.

Signed:  
Jo Plummer  
Board Chair



Signed:  
Robyn McLeod  
Director



Melbourne

Dated: 30.10.2019

**VICTORIAN WATER INDUSTRY ASSOCIATION INC****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
VICTORIAN WATER INDUSTRY ASSOCIATION INC****Report on the Audit of the Financial Report**

We have audited the financial report of Victorian Water Industry Association Inc. which comprises the assets and liabilities statement as at 30 June 2019, the income and expenditure statement, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the Association.

**Opinion**

In our opinion, the financial report of Victorian Water Industry Association Inc. has been prepared in accordance with the Associations Incorporation Reform Act 2012 including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards as referred to in Note 1 to the financial statements.

**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 Association 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 ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Victorian Water Industry Association Inc. to meet the financial reporting requirements of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of the Committee for the Financial Report**

The committee of Victorian Water Industry Association Inc. is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the needs of the Associations Incorporation Reform Act 2012 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

**Melbourne**

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Melbourne, Vic 3000

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Walker Wayland Australasia Limited



## 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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee 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.

*MVA Bennett*

**MVA BENNETT**  
Chartered Accountants.  
Level 5, North Tower,  
485 La Trobe Street  
Melbourne Vic 3000



**SHAUN EVANS**  
Partner

Dated: 31 October 2019

## Our Members

All 19 Victorian water corporations are members of VicWater.



## Our Associate Members

The following organisations held associate membership status during the 2018-19 financial year.



## Our Sponsors

VicWater is fortunate to count a number of businesses and agencies as long-term and valued sponsors. Their contribution and support of VicWater enhances our capacity to deliver outstanding events to our members, adding value to both our members and the sponsoring agency. In 2018-19 the following organisations provided financial and/or in-kind support to VicWater.



## Board Members

### Jo Plummer – Chair (appointed 10/12/15, Chair since 14/12/17)

With a portfolio of roles, Jo is an experienced board chair. Pertinent to the water industry, she first served as non-executive director for Central Highlands Water over a four year term before her appointment to the Barwon Water chair role in October 2015. Additionally, Jo's portfolio includes: Committee Chair, South Melbourne Market; Board Chair, Barwon Asset Solutions; Committee Chair, Geelong Regional Football; Committee Member Geelong, Australian Institute of Company Directors (AICD); and Executive Director and part-owner of Business in Heels International.

Jo is a highly experienced business strategist and has worked across large commercial corporate, small-medium enterprise, government and not-for-profit environments. Further, Jo holds a Masters of Business Administration, a Graduate Diploma in Retail Management and is a Fellow of the AICD.



### Gabrielle Bell (appointed 14/6/18)

Gabrielle was appointed to the board of South East Water in 2015 and is also chair of the board of Iota Services Pty Ltd, a wholly-owned subsidiary of South East Water. Gabrielle is a corporate lawyer with broad experience working in Australia and South East Asia. During her legal career, she has specialised in general corporate advisory, including corporate governance, mergers and acquisitions and capital markets. She is an experienced non-executive director and is currently also serving on the boards of V/Line Corporation, VicSuper Pty Ltd and InLife Independent Living Ltd. Gabrielle was a director of Southern Rural Water from October 2012 to September 2015. Gabrielle holds a Bachelor of Laws and Bachelor of Engineering (Chemical) from the University of Melbourne and is a Graduate of the AICD.



**Naomi Cleary (appointed 5/12/18)**

Naomi has extensive experience in the property sector. She is the former Chief Financial Officer of the Elmstone Property Group, and a current director of SANB Valhalla, a property investment vehicle. Naomi is a director of Sport Climbing Australia. She holds a Bachelor of Business Studies and is a Graduate of the AICD and CPA Australia. Naomi was appointed to the Southern Rural Water board on 1 October 2015 and represents SRW on the VicWater board.



**Robyn McLeod (appointed 10/10/17)**

Robyn has been a director of Melbourne Water since October 2015 and Monash Health since July 2019. She has held the positions of Independent Commissioner for Water Security in South Australia, National Director of Water at KPMG, and Executive Director of Major Projects, Water with the Department of Sustainability and Environment, Victoria. She was Chief of Staff to the Victorian Energy Resources and Ports Minister, and an advisor to the Victorian Environment and Education Minister. Robyn has previously worked in higher education to industry, industrial relations, and secondary teaching. She is a Graduate of the AICD and completed the Senior Executive Fellows Program at The Kennedy School of Government, Harvard University. Previous board positions include as an inaugural director of The Australian Centre for Social Innovation and chair of the Risk and Audit Committee.



### **Jeff Rigby (appointed 8/6/17)**

Jeff Rigby is Managing Director of Western Water (appointed in March 2019). Jeff has 34 years of experience working in the water industry in regional Victoria. Prior to joining Western Water, Jeff held the positions of Managing Director of Grampians Wimmera Mallee Water (2007-11) and Coliban Water (2012-19). Jeff is also a board director of Castlemaine Health and he is a member of the Group's Audit & Risk Committee. Jeff is a chartered professional engineering executive and chartered secretary.



### **David Ryan (appointed 8/6/17)**

David is Managing Director of City West Water and has over 15 years' experience in the water sector. He is a Graduate of the AICD, a director of VicWater and is a past President and current director of the IWA.





**Catherine Scott  
(appointed 22/11/18)**

Catherine is a highly experienced chairperson and non-executive director who has held directorships across a portfolio of organisations in transport, water, education and natural resources. In her prior professional career Catherine held senior positions in the investment banking and finance industries. She is chair of Goulburn Valley Water, a non-executive director and chair of the Audit and Risk Committee for the Office of National Rail Safety Regulator, non-executive director of the National Heavy Vehicle Regulator and director of Goulburn Ovens TAFE. Catherine is a former director at Goulburn Valley Water and Goulburn-Murray Water. She has a Bachelor of Science (Hons), Bachelor of Commerce and is a Fellow at the AICD.



**Patrick McNamara  
(ceased 5/12/18)**

Patrick McNamara is a director on the Goulburn-Murray Water Board and a former member of the Victorian Legislative Assembly representing Benalla. Premier John Brumby and Red Cross Australia appointed Patrick as chairman of the \$400m Bushfire Appeal Fund. Patrick was Deputy Premier of Victoria from 1992 to 1999 and held several ministerial positions, including Minister for Agriculture and Resources, Minister for Tourism, Minister for Police and Emergency Services and Minister for Corrections.



## Staff Members

### Peter Morison – Chief Executive Officer

Peter joined VicWater as CEO in May 2019. A proven people and thought leader, Peter is an environmental and social scientist with over 25 years of experience working in water services, natural resource management, local governance, and as a consultant to various government organisations overseeing a diverse portfolio of land, natural resource and urban water management projects. Peter's professional qualification is in applied science, majoring in environmental management and environmental health. He also has a PhD in environmental policy and intergovernmental management. Peter holds an ongoing research collaboration as a Senior Fellow at the University of Melbourne's School of Ecosystem and Forest Services. He is a member of the Australian Water Association, Renew and Stormwater Australia.



### Jo Lim – Operations & Strategic Projects Manager

Jo joined VicWater in March 2019 in a 2IC role, with overall responsibility for the planning, implementation, control and reporting of industry-supported special projects. Jo started her career in the federal public service, before holding senior executive roles in the IT sector and management consultancy. Jo has a Bachelor of Laws (Hons) and a Bachelor of Arts (Hons) from the University of Melbourne, and a Diploma of Business and Diploma of Management from Swinburne University. Jo is a member of the Australian Water Association.



### **Fee Boucher – Member Experience Manager**

Fee joined VicWater in March 2019. Fee has a background in digital marketing and communications and has worked across a range of sectors including health, education, construction, mining, local government, manufacturing and retail. Fee is responsible for leading the member interface components of the VicWater Communication Strategy to ensure quality communication services are provided to all VicWater members. Her role includes media, brand, communications, digital, social media and event management. Fee has a Bachelor of Graphic Design as well as a Diploma in Digital Marketing. Fee is a member of the Australian Water Association.



### **James Cleaver – Policy & Regulation Manager**

James joined VicWater in May 2014. He is responsible for organising a number of VicWater committees and coordinating submissions on a range of policy areas. James has previously worked at the Murray-Darling Basin Commission (MDBC) as the Executive Officer to the Chief Executive, Wendy Craik. Whilst at the MDBC, James led the completion of the first ever Basin-wide audit of storages and water availability in response to the extreme drought conditions in 2007-08. James's most recent role prior to joining VicWater was with the Municipal Association of Victoria where he was responsible for transport, water and financial hardship policy areas. James has a Bachelor of Public Policy and Management (Hons) and a Bachelor of Agricultural Science.



### Lauren Vines – Events Coordinator

Lauren joined VicWater in November 2015. Lauren coordinates several VicWater events throughout the year, which provide excellent opportunities for the Victorian water industry and its stakeholders to be kept up to date on their respective issues and to network with colleagues and industry representatives. Lauren also manages the IWA conferences, which provide a forum for sharing information, networking and professional development in the Victorian water industry. Prior to working at VicWater, Lauren managed a variety of events for Peter Rowland Catering at the National Gallery of Victoria, and prior to that, managed events at the Victorian Automobile Chamber of Commerce. Lauren's formal qualifications include Public Relations, Marketing and Event Management.



### Fiona Ould – Office Manager

Fiona joined the Association as Office Manager in October 2001, following a number of years in a similar role with Master Plumbers Australia. Fiona manages the day-to-day activities including accounts and room bookings at the VicWater office.



We would like to acknowledge the contribution of VicWater staff members who left the organisation during 2018-19:

- Tony Wright
- April Jenkins
- Paul O'Brien
- Ros Harrison
- Satvik Gangaravapu
- Chris Feil
- Kerrie Scott
- Moreen Lyons

We would also like to acknowledge Amanda Smith (City West Water) who acted as Interim CEO for six weeks during June-August 2018.

## List of Acronyms

AICD	Australian Institute of Company Directors
CEO	Chief Executive Officer
DELWP	Department of Environment, Land, Water and Planning
DISC	Diversity & Inclusion Steering Committee
DTF	Department of Treasury and Finance
EPA	Environment Protection Authority Victoria
EP Act	Environment Protection Act
ESC	Essential Services Commission
GED	General Environmental Duty
PFAS	Poly-fluoroalkyl Substances
IWA	Institute of Water Administration
LGBTI+	Lesbian, Gay, Bisexual, Transgender, Intersex Plus
MD	Managing Director
MDBC	Murray-Darling Basin Commission
OH&S	Occupational Health and Safety
SCEP	Supply Chain Excellence Program
SEPP	State Environment Protection Policy
VicWater	Victorian Water Industry Association
WIRG	Water Industry Reference Group
WSSAG	Water Security Strategic Advisory Group
WWDN	Women in Water Directors Network



**VicWater**  
BETTER TOGETHER

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