



AUSTRALIAN WATER

ASSOCIATION

AUSTRALIAN WATER ASSOCIATION LIMITED ANNUAL REPORT 2025-26



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The directors of Australian Water Association Limited (“the company”) submit herewith the annual report of the company for the financial year ended 30 June 2026.

Information about the Directors

The names of the directors of the company during the reporting period are:

Kevin Werksman

Christopher Bulloch

Amy Dysart

Peter Dennis

(until May 2026)

Shelley Shepherd (Harbers)

Rodney Naylor

Clare Porter

Nina Braid

Glenn Stockton AM

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



Kevin Werksman

President

(President May 2025 - present)

Qualifications

BEng (ChemEng), BCom, GradCertEnvMgmt, Harvard Leadership Program

Position

CEO, Suez Australia and New Zealand

Special Responsibilities

People and Culture Committee (Chair)

Governance and Audit Committee



Peter Dennis

Immediate Past President

(until May 2026)

Qualifications

BEng (Hons) (ChemEng), MES, GradDipMgmt, Corporate Directors Diploma

Position

General Manager Water, Beca HunterH2O

Director, Icon Water Limited

Director, Icon Retail Investments Limited

Director, Icon Distribution Investments Limited

Director, Local Government Procurement NSW

Special Responsibilities

People and Culture Committee (until May 2026)

Governance & Audit Committee (until May 2026)



Clare Porter

Director

(President Elect since May 2026)

Qualifications

BSc, MBA, GAICD

Position

Head of Strategic Communications and Corporate Social Responsibility, Sydney

Water Special Responsibilities

Strategic Impact Committee (Chair)

People and Culture Committee

Governance & Audit Committee



Chris Bulloch

Director

Qualifications

MEng (Civil), MEng (Env), MEng (EngMgt)

Position

Executive Leader Infrastructure Planning and Delivery, Urban Utilities

Board Member, Water for Lockyer

Advisory Board Member, Healthy Land and Waters

Director, SCIENG

Special Responsibilities

Governance & Audit Committee (Chair)

Member Experience and Growth Committee



Shelley Shepherd (Harbers)

Director

Qualifications

BSc Zoology, MBA, GAICD, FPIA and CPEnv

Position

Managing Director, Urbaqua Ltd

Secretary, Stormwater WA

Program Manager, New Water Ways Inc

Special Responsibilities

Member Experience and Growth Committee (Chair)

Strategic Impact Committee

People and Culture Committee



Nina Braid

Director

(May 2025 - present)

Qualifications

BA Aboriginal Policy and Management, DipGov (Contract Mgt), MMan, MAICD

Position

Aboriginal Partnerships Manager, Yarra Valley Water

Trustee, Trust for Nature

Special Responsibilities

Strategic Impact Committee

People and Culture Committee



Amy Dysart

Director

(May 2025 - present)

Qualifications

BSc Biotech, BSc (Hons), MSc (Water Res Mgt), GAICD

Position

Shareholder, In-Depth Innovations Pty Ltd

Director, In-Depth Strategy Pty Ltd

Special Responsibilities

Governance and Audit Committee

Member Experience and Growth Committee



Rodney Naylor

Director

(May 2025 - present)

Qualifications

BE (Hons) (ChemEng), GradDipMktg, MBA (Merit), CEng, MCIWEM, GAICD, CPEng, EngExec, FIEAust, NPER

Position

Global Water Leader, GHD Ltd

Director, Aquawatch Solutions

Director, IDRA

Special Responsibilities

Member Experience and Growth Committee

Strategic Impact Committee



Glenn Stockton AM

Director

(May 2025 - present)

Qualifications

MBA, MMan, CSC (Joint), GAICD

Position

Chief Executive, Sunwater Ltd (until May 2026)

Special Responsibilities

Governance and Audit Committee

People and Culture Committee



President's Message

FY26 marked the beginning of an important new chapter for the Australian Water Association. With Strategy 2030 now guiding our direction, AWA has begun to translate its renewed purpose - to inspire, connect and transform the water sector - into action.

The need for a strong, connected and influential water community has never been greater. Climate pressures, population growth, infrastructure renewal and changing community expectations are increasing the complexity of the decisions facing our sector. Water also enables many of Australia's broader priorities, from housing and economic productivity to net zero and the growth of emerging industries. Meeting these challenges requires perspectives from across disciplines, sectors, communities and generations.

This is where AWA has a distinctive role. By growing both the number and breadth of our members, we strengthen the community we serve and the diversity of experience we can bring to national conversations. A broader membership also gives AWA a more representative voice and greater capacity to convene the people needed to create meaningful impact.

During the year, the Board was pleased to see strong progress against Strategy 2030, under our three strategic pillars: inspire system change, foster cross-sector collaboration, and grow sector capability. To inspire system change, AWA strengthened its advocacy foundations, with the National Policy Forum and member insights informing three submissions to the Productivity Commission's National Water Reform Inquiry. The launch of our Innovate Reconciliation Action Plan established a practical framework for deeper relationships, greater participation and First Peoples' leadership. To strengthen collaboration, the Circular Water Taskforce and Connected by Water brought the water sector together with adjacent sectors and shared national insights to inform local action. To build capability and capacity, AWA launched Indigo to make water knowledge easier to access, while Careers in Water almost doubled its reach to 1,648 tertiary students.

The Board's responsibility is to ensure that this ambition is supported by sound governance and careful stewardship. AWA achieved an operating return of \$597,000 on revenue of \$13.7 million, while investing \$1.6 million in strategic activities. This financial strength is not an end in itself. It enables AWA to improve services for members, invest in sector capability and knowledge, respond to future opportunities and manage risk responsibly.

As AWA has grown, so too have its responsibilities, operating costs and the resources required to deliver for a national membership. Maintaining reserves appropriate to the scale and complexity of the Association is therefore an important part of responsible governance. The year-end reserve balance of \$8.8 million provides resilience through changing conditions and preserves our ability to invest deliberately in the work members expect of us.

On behalf of the Board, I thank our members, volunteers, partners and staff for their contribution throughout the year. Our Branches, Specialist Networks, Young Water Professionals and many other volunteers keep AWA grounded in the knowledge, priorities and experience of water communities across Australia. I also thank Corinne and the AWA team for their commitment through a year of significant delivery and change.

AWA enters FY27 with momentum, a stronger foundation and a clear responsibility to turn investment into lasting member value and sector-wide impact. The Board looks forward to continuing that work with our community.

Kevin Werksman
President, Australian Water Association



CEO's Message

FY26 was a year of strong delivery and purposeful investment for the Australian Water Association. We continued to serve members through the programs, events, networks and trusted knowledge they value, while beginning the work needed to deliver our more ambitious role under Strategy 2030.

The clearest measure of our progress is the experience of our members. Net membership grew by 13.7%, our strongest result to date, and overall member satisfaction rose to 84%, from 78% in 2024. Members' assessment of value for money increased to 63%, while 78% described AWA as easy to deal with. These results are encouraging, but they also set an expectation that we continue to listen, improve and demonstrate value across every stage of the member experience.

During the year, members gained access to more and improved ways to connect, learn and contribute. We launched Indigo, bringing AWA's technical content, event resources and publications together in one searchable platform. We expanded the National Mentoring Program to 286 pairs, reached 1,648 tertiary students through Careers in Water and continued to grow opportunities for Young Water Professionals. Across our Branches, 15,158 event registrations reflected strong demand for local connection and professional development, while Ozwater'26 brought together a record 6,516 participants.

We also invested in work that extends the collective influence of our membership. Our strengthened advocacy approach is helping turn member expertise into evidence-based policy input. The National Policy Forum, Member Insights Meetings and three submissions to the National Water Reform Inquiry were early examples of this approach. Our Innovate Reconciliation Action Plan moved AWA from foundation-building towards measurable action, while National Water Week, international partnerships and cross-sector initiatives expanded the reach of water knowledge and perspectives. These successes are evidence of progress under our strategic priorities.

These outcomes were also made possible by deliberate investment. In FY26, AWA invested \$1.6 million in strategic priorities, including Indigo, mentoring, advocacy, reconciliation, and the business and operating model reviews. The business model review clarified the broader customer groups we need to engage and potential new product pathways, while work on the operating model identified the capabilities needed to deliver Strategy 2030 and demonstrate impact. We also continued to strengthen the systems, data, processes and organisational capability that sit behind a better and more personalised member experience.

Our operating return of \$597,000 and reserves of \$8.8 million give us the capacity to undertake this work from a position of strength. For a not-for-profit association, financial sustainability is about stewardship: ensuring that income generated through membership, events, partnerships and programs can be reinvested in member value and our purpose. As AWA's scale, reach, costs and responsibilities have grown, retaining a prudent level of reserves is essential to protect continuity, manage risk and sustain investment over the long term.

This progress belongs to the people who make AWA possible. I thank our members and partners for their trust and participation; our volunteers for the expertise, time and local insight they contribute through Branches, Specialist Networks, committees, mentoring, content and events; and the AWA team for delivering an extensive national program while also helping prepare the Association for change.

Much of the work begun in FY26 is still at an early stage. In FY27, our focus will be on embedding the new operating model, completing our foundational work and showing more clearly how our activities create value for members and contribute to meaningful change across the water sector. We enter that next phase with a growing and increasingly diverse membership, strong engagement and a clear sense of purpose.

Corinne Cheeseman

Chief Executive Officer, Australian Water Association

Our Purpose

To inspire, connect and transform the water sector.

Our Vision

A sustainable water future.

The Australian Water Association (AWA) is Australia's leading not-for-profit organisation connecting water professionals and organisations to share knowledge, build capability and advance a sustainable water future.

Our community brings together people from across utilities, government, consulting, research, industry and communities, creating connections across disciplines, sectors and geographies.

Through advocacy, knowledge sharing, professional development, events and collaboration, AWA provides a platform for the water community to exchange expertise, strengthen relationships and work together on the challenges and opportunities shaping Australia's water future.

Strategy 2030

Strategy 2030 guides AWA's work towards its vision of a sustainable water future. It places greater emphasis on the value and impact of AWA's activities for members, the water sector and the wider community.

Strategic priorities

Inspire system change

Support long-term change on critical water challenges through advocacy, the inclusion of traditional knowledge in water management, and greater community understanding of water.

Foster cross-sector collaboration

Connect people and organisations within and beyond the water sector to share expertise, improve decisions and develop responses to shared challenges.

Grow sector capability

Improve access to water knowledge, skills and resources, while strengthening career pathways and leadership development.

Strategic enablers

Four enablers support AWA's delivery of these priorities:

Data-driven decisions

Use evidence and insights to guide decisions and measure progress.

Personalised experience

Improve how members and stakeholders engage with AWA.

High-performance culture

Develop the people and ways of working needed to deliver the strategy.

Sustainable business

Maintain a sustainable organisation and invest in activities that advance AWA's purpose.

Financial Performance

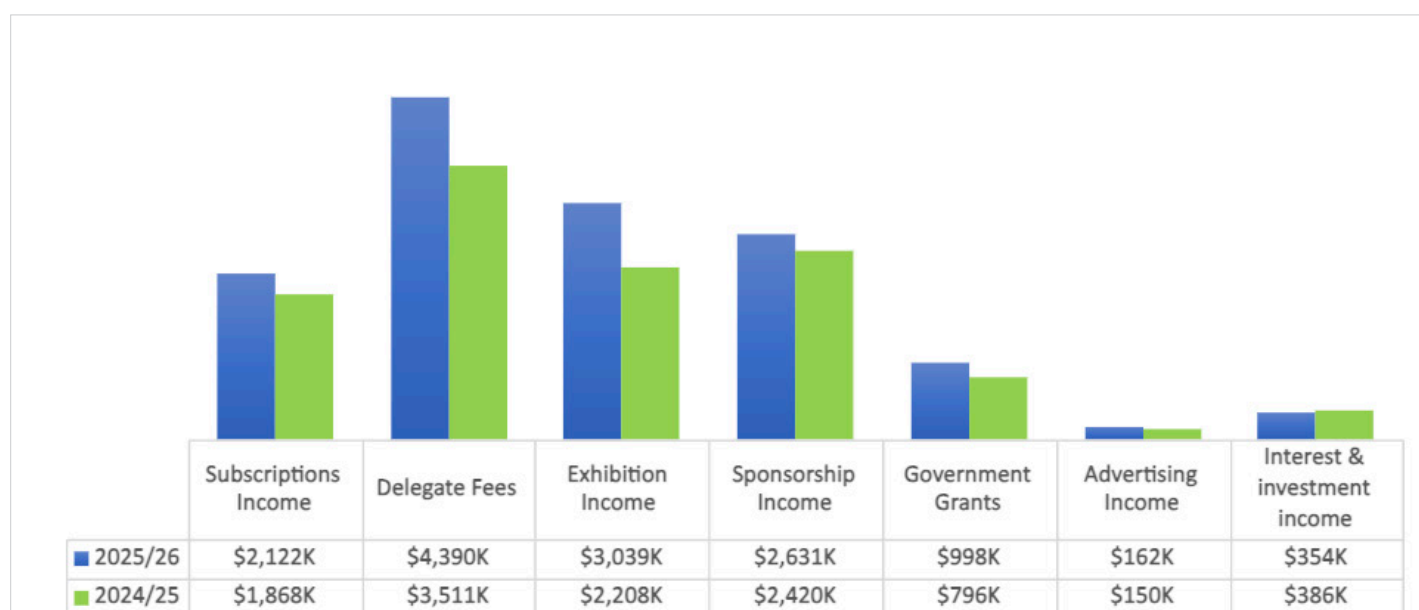
Our 5-year financial performance summary is detailed below:

\$'000	2021/22	2022/23	2023/24	2024/25	2025/26
Revenue	\$9,292	\$10,445	\$11,965	\$11,339	\$13,697
Operating Expenses	\$8,192	\$9,461	\$11,280	\$11,287	\$13,100
Operating Return	\$1,100	\$984	\$685	\$52	\$597

The Association reported an operating return of \$597K for FY2025-26, reflecting a positive financial result supported by the successful delivery of Ozwater'26 and disciplined financial management across the organisation. Ozwater remained the Association's largest revenue contributor and delivered a financial outcome in line with expectations.

FY2026 marked the first year of Strategy 2030, with \$1.6M invested in strategic initiatives, establishing the foundation for the next phase of transformation. The Association's reserves have increased to \$8.8M, providing additional capacity to support future investment of Strategy 2030.

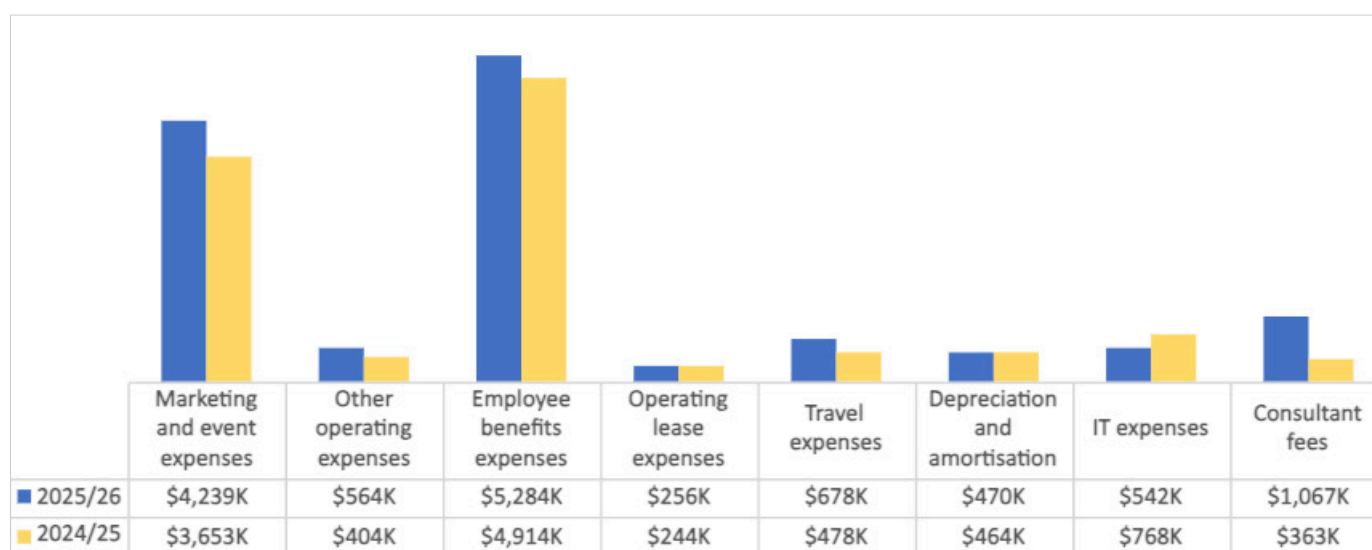
Revenue Summary



Total revenue increased to \$13.7M in FY2025-26, reflecting strong growth across the Association's events and membership activities. Event-related income increased, supported by the successful delivery of Ozwater'26 on the east coast and incremental growth across other events. Membership revenue increased by 14%, reflecting sustained acquisition and retention efforts throughout the year.

Operating Expense Summary

Total operating expenses for the year were \$13.1M. Marketing and event expenses increased in line with higher event-related revenue. IT expenses decreased as the first year of Strategy 2030 focused on establishing the foundations for future transformation, with major technology investments planned for later years. Consultant fees increased by \$700K, primarily reflecting investment in Strategy 2030 and the Business and Operating Model Reviews, which established the organisational foundations to support the Association's longer-term strategic objectives.



Key Performance Measures

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

Key performance measures	Type	2025/26	2024/25
¹ Return on assets (<i>Net Profit/Total Assets</i>)	Profitability	4.1%	0.3%
² Return on equity (<i>Net profit/ Total Equity</i>)	Profitability	6.8%	0.6%
³ Current ratio (<i>Current Assets/ Current Liability</i>)	Liquidity	3.4	2.6

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

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

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

Return on assets and Return on equity increased in FY2025-26, reflecting the higher operating return achieved during the year. The current ratio also increased to 3.4, indicating a strong short-term liquidity position. The Association's reserves increased to \$8.8M, providing capacity to support future strategic investment and maintaining a sound financial position.

**Australian Water Association Limited
Directors' report
30 June 2026**

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2026.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the state of affairs of the Company in future financial years.

Meetings of directors

The following table sets out the number of directors' meetings (including meetings of subcommittees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or subcommittee member).

During the financial year, 25 meetings of directors (including subcommittees of directors) were held. Attendances by each director during the year were as follows:

	Full Board		Governance and Audit Subcommittee		People and Culture Subcommittee		Member Experience & Growth Subcommittee		Strategic Impact Subcommittee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Kevin Werksman	7	7	8	5	4	4	-	-	1	1
Peter Dennis	7	5	8	3	1	1	-	-	1	-
Chris Bulloch	7	5	8	8	2	2	2	1	1	1
Clare Porter	7	7	5	3	4	4	1	1	3	3
Shelley Shepherd (Harbers)	7	7	-	-	4	4	3	3	3	2
Nina Braid	7	7	-	-	4	3	1	1	3	3
Amy Dysart	7	6	8	8	1	1	3	3	1	1
Rodney Naylor	7	6	1	1	1	-	3	3	3	2
Glenn Stockton	7	7	8	4	4	2	-	-	1	-

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

Contributions on winding up

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

The total amount that members of the Company are liable to contribute if the Company is wound up is \$120,520 based on 6,026 members (2025: \$113,280 based on 5,664 members).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 14 and forms part of this Directors' Report.

This report is made in accordance with a resolution of directors.

On behalf of the directors


Clare Porter
Director

16 October 2026


Kevin Werksman
Director

16 October 2026

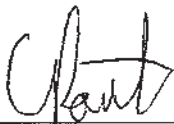
Australian Water Association Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulations 2022, 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 2026 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.

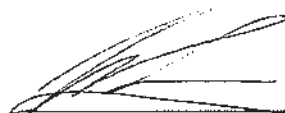
Signed in accordance with a resolution of the directors pursuant to s60.15(2) of the Australian Charities and Not-for-profits Commission Regulations 2022.

On behalf of the directors



Clare Porter
Director

16 October 2026



Kevin Werksman
Director

16 October 2026



Bentleys Sydney Audit Pty Ltd

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Australian Water Association Limited

ABN: 78 096 035 773

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Australian Water Association Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

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

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2022.

Donovan Odendaal
Director
Sydney

BENTLEYS SYDNEY AUDIT PTY LTD
Chartered Accountants

Date: 16 October 2026

Australian Water Association Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Revenue	4	13,628,796	11,162,893
Other gains or (losses)	5	(59,175)	59,121
Interest revenue		127,162	116,800
Expenses			
Consultant fees		(1,066,508)	(362,885)
Depreciation and amortisation expense	6	(469,873)	(463,702)
Employee benefits expense		(5,284,005)	(4,914,016)
IT expense		(542,402)	(767,757)
Marketing and event expenses		(4,238,623)	(3,653,213)
Occupancy expenses		(255,752)	(243,760)
Travel expenses		(678,233)	(477,542)
Other expenses		(564,420)	(403,700)
Total expenses		<u>(13,099,816)</u>	<u>(11,286,575)</u>
Surplus before income tax expense		596,967	52,239
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax expense for the year attributable to the members of Australian Water Association Limited		596,967	52,239
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Australian Water Association Limited		<u><u>596,967</u></u>	<u><u>52,239</u></u>

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

Australian Water Association Limited
Statement of financial position
As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	7	7,659,357	6,889,193
Trade and other receivables	8	868,399	1,439,182
Other	9	1,111,866	1,189,908
Total current assets		<u>9,639,622</u>	<u>9,518,283</u>
Non-current assets			
Financial assets at fair value through profit or loss	10	2,126,283	2,225,427
Property, plant and equipment	11	248,219	306,072
Right-of-use assets	12	2,379,713	2,677,178
Intangibles	13	197,948	272,192
Total non-current assets		<u>4,952,163</u>	<u>5,480,869</u>
Total assets		<u>14,591,785</u>	<u>14,999,152</u>
Liabilities			
Current liabilities			
Trade and other payables	14	572,622	690,721
Contract liabilities	15	1,834,256	2,625,843
Lease liabilities	16	178,832	156,112
Employee benefits	17	273,055	221,602
Total current liabilities		<u>2,858,765</u>	<u>3,694,278</u>
Non-current liabilities			
Lease liabilities	16	2,795,940	2,974,772
Employee benefits	17	83,573	73,562
Long term provisions	18	50,000	50,000
Total non-current liabilities		<u>2,929,513</u>	<u>3,098,334</u>
Total liabilities		<u>5,788,278</u>	<u>6,792,612</u>
Net assets		<u>8,803,507</u>	<u>8,206,540</u>
Equity			
Retained earnings		<u>8,803,507</u>	<u>8,206,540</u>
Total equity		<u>8,803,507</u>	<u>8,206,540</u>

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

Australian Water Association Limited
Statement of changes in equity
For the year ended 30 June 2026

	2026 \$	2025 \$
Total retained earnings at the beginning of the financial year	8,206,540	8,154,301
Surplus after income tax expense for the year	596,967	52,239
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>596,967</u>	<u>52,239</u>
Total retained earnings at the end of the financial year	<u><u>8,803,507</u></u>	<u><u>8,206,540</u></u>

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

Australian Water Association Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers and other revenue (inclusive of GST)		14,504,283	11,206,986
Payments to suppliers and employees (inclusive of GST)		(13,687,143)	(10,588,647)
		817,140	618,339
Dividends received		121,990	95,057
Interest received		127,162	116,800
Interest and other finance costs paid		(138,762)	(145,426)
Net cash from operating activities	23	927,530	684,770
Cash flows from investing activities			
Payments for investments	10	(199,251)	(609,459)
Payments for property, plant and equipment	11	(12,693)	(33,678)
Payments for intangibles	13	(28,530)	(149,543)
Proceeds from disposal of investments		239,220	213,476
Net cash used in investing activities		(1,254)	(579,204)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(156,112)	(134,903)
Net cash used in financing activities		(156,112)	(134,903)
Net increase/(decrease) in cash and cash equivalents		770,164	(29,337)
Cash and cash equivalents at the beginning of the financial year		6,889,193	6,918,530
Cash and cash equivalents at the end of the financial year	7	<u>7,659,357</u>	<u>6,889,193</u>

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

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 1. General information

The Australian Water Association Limited is a membership association for all professionals and organisations in the water sector and is a not-for-profit entity. The financial statements cover Australian Water Association Limited as an individual entity.

The financial statements are presented in Australian dollars, which is Australian Water Association Limited's functional and presentation currency.

Australian Water Association Limited 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:

Suite 801
9 Help Street
Chatswood NSW 2067

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 October 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Company are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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. The adoption of these standards and interpretations did not have a material impact on the financial performance and financial position of the Company.

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 Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through profit or loss, which are measured at fair value.

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 3.

Comparatives

Certain comparative expense amounts have been reclassified to conform with the presentation adopted in the current year. These reclassifications have had no impact on total expenses or profit for the prior period.

Income tax

As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Revenue recognition

The Company recognises revenue as follows:

Subscriptions - membership fees

Membership fee revenue is recognised over time as the services are provided to members over the relevant subscription period, reflecting the Company's ongoing performance obligations to its members.

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 2. Material accounting policy information (continued)

Events revenue

Events revenue comprises sponsorship income, delegate income, and trade displays and exhibition income. Revenue from these activities is recognised at a point in time when the related event or service has been delivered and the Company has satisfied its performance obligations.

Government grants

Government grant revenue is recognised when the Company obtains control of the grant and it is probable that the economic benefits will flow to the Company. Where grant arrangements contain enforceable and sufficiently specific performance obligations, revenue is recognised as the Company satisfies those performance obligations. Where such performance obligations are not present, grant revenue is recognised when the Company is entitled to the funding.

Other revenue

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

Trade and other receivables

Trade receivables are generally due for settlement within 30 days.

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.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECLs) on financial assets measured at amortised cost. The Company recognises lifetime ECLs for trade receivables and other financial assets where appropriate, based on historical credit loss experience, current conditions and reasonable and supportable forward-looking information.

In assessing expected credit losses, the Company considers the ageing and recoverability of individual financial assets, together with information specific to the counterparty and broader economic conditions.

ECLs are measured as the present value of the difference between the contractual cash flows due to the Company and the cash flows expected to be received, discounted at the financial asset's original effective interest rate.

The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Term deposits

Term deposits with original maturities exceeding three months are classified as other financial assets.

Property, plant and equipment

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	Lease term
Furniture, fixtures and fittings	10%
Office equipment	17% - 33%

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 2. Material accounting policy information (continued)

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.

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.

Intangible assets

Computer 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 between 1 and 6 years.

Trade and other payables

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Note 3. 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.

Impairment of receivables

The receivables at reporting date are reviewed to determine whether there is any indication that they may be impaired. An impairment provision is recognised for receivables where the entire balance is not considered recoverable. The impairment provision is based on management's best estimate of the amount expected to be recovered at the reporting date.

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.

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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.

Revenue recognition

The Company receives amounts for services that are provided across more than one reporting period. Amounts received in advance are recognised as *contract liabilities*, where required. Judgement and estimation are required in determining the timing and amount of revenue to be recognised in each reporting period, having regard to the terms of the underlying agreements and the services provided up to the reporting date.

Note 4. Revenue

	2026 \$	2025 \$
<i>Revenue from contracts with customers</i>		
Advertising revenue	162,071	150,392
Delegate income	4,390,492	3,510,617
Trade displays and exhibition income	3,039,164	2,207,506
Government grants	998,177	796,385
Sponsorship income	2,630,732	2,420,067
Subscriptions - membership fees	2,121,915	1,867,598
	<u>13,342,551</u>	<u>10,952,565</u>
<i>Other revenue</i>		
Dividends	121,990	95,057
Other revenue	164,255	115,271
	<u>286,245</u>	<u>210,328</u>
Revenue	<u><u>13,628,796</u></u>	<u><u>11,162,893</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2026 \$	2025 \$
<i>Geographical regions</i>		
Australia	<u><u>13,342,551</u></u>	<u><u>10,952,565</u></u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	11,220,636	9,084,967
Services transferred over time	2,121,915	1,867,598
	<u><u>13,342,551</u></u>	<u><u>10,952,565</u></u>

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 5. Other gains or (losses)

	2026	2025
	\$	\$
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(54,430)	31,069
Net (loss)/gain on disposal of investments	(4,745)	28,052
Other gains or (losses)	<u>(59,175)</u>	<u>59,121</u>

Note 6. Expenses

	2026	2025
	\$	\$
Surplus before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Leasehold improvements	10,227	10,227
Furniture, fixtures and fittings	7,853	7,725
Office equipment	51,554	48,089
Right-of-use assets - Land and buildings	297,465	297,464
Intangibles - Computer software	102,774	100,197
Total depreciation and amortisation	<u>469,873</u>	<u>463,702</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>138,762</u>	<u>145,426</u>
<i>Leases</i>		
Short-term and low-value assets lease payments	<u>107,559</u>	<u>89,327</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>532,316</u>	<u>483,364</u>

Note 7. Cash and cash equivalents

	2026	2025
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>7,659,357</u>	<u>6,889,193</u>

Note 8. Trade and other receivables

	2026	2025
	\$	\$
<i>Current assets</i>		
Trade receivables	832,009	1,402,071
Less: Allowance for expected credit losses	(9,309)	(5,000)
	<u>822,700</u>	<u>1,397,071</u>
Deposits	-	42,111
GST receivable	<u>45,699</u>	<u>-</u>
	<u>868,399</u>	<u>1,439,182</u>

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 9. Other

	2026	2025
	\$	\$
<i>Current assets</i>		
Prepayments	627,557	705,599
Term deposit	484,309	484,309
	<u>1,111,866</u>	<u>1,189,908</u>

Note 10. Financial assets at fair value through profit or loss

	2026	2025
	\$	\$
<i>Non-current assets</i>		
Investments	<u>2,126,283</u>	<u>2,225,427</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	2,225,427	1,770,324
Additions	199,251	609,459
Disposals	(243,965)	(185,425)
Revaluation increments	(54,430)	31,069
Closing fair value	<u>2,126,283</u>	<u>2,225,427</u>

Note 11. Property, plant and equipment

	2026	2025
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	160,074	160,074
Less: Accumulated depreciation	(79,110)	(68,883)
	<u>80,964</u>	<u>91,191</u>
Furniture, fixtures and fittings - at cost	78,537	78,537
Less: Accumulated depreciation	(23,172)	(15,319)
	<u>55,365</u>	<u>63,218</u>
Office equipment - at cost	306,318	332,260
Less: Accumulated depreciation	(194,428)	(180,597)
	<u>111,890</u>	<u>151,663</u>
	<u>248,219</u>	<u>306,072</u>

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 11. Property, plant and equipment (continued)

Reconciliations

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

	Leasehold improvements \$	Furniture, fixtures and fittings \$	Office equipment \$	Total \$
Balance at 1 July 2025	91,191	63,218	151,663	306,072
Additions	-	-	12,693	12,693
Disposals	-	-	(912)	(912)
Depreciation expense	(10,227)	(7,853)	(51,554)	(69,634)
Balance at 30 June 2026	<u>80,964</u>	<u>55,365</u>	<u>111,890</u>	<u>248,219</u>

Note 12. Right-of-use assets

	2026 \$	2025 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	3,296,894	3,296,894
Less: Accumulated depreciation	<u>(917,181)</u>	<u>(619,716)</u>
	<u>2,379,713</u>	<u>2,677,178</u>

Reconciliations

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

	Land and buildings \$
Balance at 1 July 2025	2,677,178
Depreciation expense	<u>(297,465)</u>
Balance at 30 June 2026	<u>2,379,713</u>

Refer to note 16 for the associated lease liability and further information.

Note 13. Intangibles

	2026 \$	2025 \$
<i>Non-current assets</i>		
Computer software - at cost	584,264	555,734
Less: Accumulated amortisation	<u>(386,316)</u>	<u>(283,542)</u>
	<u>197,948</u>	<u>272,192</u>

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 13. Intangibles (continued)

Reconciliations

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

	Computer software \$
Balance at 1 July 2025	272,192
Additions	28,530
Amortisation expense	(102,774)
Balance at 30 June 2026	<u>197,948</u>

Note 14. Trade and other payables

	2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	447,564	357,261
Sundry payables and accrued expenses	125,058	204,829
GST payable	-	128,631
	<u>572,622</u>	<u>690,721</u>

Note 15. Contract liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Deferred membership income	1,190,719	1,078,665
Other deferred income	643,537	1,547,178
	<u>1,834,256</u>	<u>2,625,843</u>

Note 16. Lease liabilities

	2026 \$	2025 \$
<i>Current liabilities</i>		
Lease liability	<u>178,832</u>	<u>156,112</u>
<i>Non-current liabilities</i>		
Lease liability	<u>2,795,940</u>	<u>2,974,772</u>
	<u>2,974,772</u>	<u>3,130,884</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	309,928	294,874
One to five years	1,671,561	1,470,643
More than five years	1,642,339	2,153,185
	<u>3,623,828</u>	<u>3,918,702</u>

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 16. Lease liabilities (continued)

The Company leases a building for its head office under a non-cancellable lease term of six years. The lease includes an option to extend the lease for a further five years following the initial non-cancellable term. The Company expects to exercise the extension option and has therefore considered the option when determining the lease term for the lease liability.

Lease payments are subject to annual adjustments based on movements in the Consumer Price Index (CPI) at each anniversary of the lease commencement date. Changes in lease payments arising from CPI movements are recognised in accordance with the requirements of AASB 16 *Leases*.

The Company also enters into leases for IT equipment, which are generally considered to be leases of low-value assets. The Company applies the recognition exemption for leases of low-value assets and recognises lease payments as an expense on a straight-line basis over the lease term.

Note 17. Employee benefits

	2026 \$	2025 \$
<i>Current liabilities</i>		
Annual leave	254,520	221,602
Long service leave	18,535	-
	<u>273,055</u>	<u>221,602</u>
<i>Non-current liabilities</i>		
Long service leave	83,573	73,562
	<u>356,628</u>	<u>295,164</u>

Note 18. Long term provisions

	2026 \$	2025 \$
<i>Non-current liabilities</i>		
Lease make good	50,000	50,000

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to key management personnel of the Company is set out below:

	2026 \$	2025 \$
Aggregate compensation	<u>1,763,715</u>	<u>1,316,019</u>

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Bentleys Sydney Audit Pty Ltd, the auditor of the Company:

	2026 \$	2025 \$
<i>Audit services - Bentleys Sydney Audit Pty Ltd</i>		
Audit of the financial statements	<u>38,500</u>	<u>36,600</u>

Australian Water Association Limited
Notes to the financial statements
30 June 2026

Note 21. Contingent liabilities

The Company had the following contingent liabilities at the end of the year:

(a) Amounts guaranteed

The Company has issued a letter of set-off in the amount of \$270,904 (2025: \$270,904) with respect to the lease of premises at Suite 801, 9 Help Street, Chatswood. The letter of set-off is supported by an ANZ facility of the same amount.

(b) Unused bank facility

The Company had an unused BCCL facility of \$50,000 with Australia and New Zealand Banking Group (ANZ) (2025: \$50,000). During the prior year, the Company also had an unused payroll facility of \$350,000 with ANZ, which was no longer available at the end of the current financial year.

Note 22. Related party transactions

Parent entity

Australian Water Association Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 23. Reconciliation of surplus after income tax to net cash from operating activities

	2026 \$	2025 \$
Surplus after income tax expense for the year	596,967	52,239
Adjustments for:		
Depreciation and amortisation	469,873	463,702
Net loss/(gain) on disposal of non-current assets	5,657	(28,051)
Net fair value loss/(gain) on investment	54,430	(31,069)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	570,783	(879,668)
Decrease in prepayments	78,042	-
Increase in other operating assets	-	(320,322)
(Decrease)/increase in trade and other payables	(118,099)	1,366,845
Decrease in contract liabilities	(791,587)	-
Increase in employee benefits	61,464	61,094
Net cash from operating activities	<u>927,530</u>	<u>684,770</u>

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 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.



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Australian Water Association Limited

ABN: 78 096 035 773

Independent Audit Report to the Members of Australian Water Association Limited

Report on the Audit of the Financial Report

We have audited the financial report of Australian Water Association Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and the directors' declaration.

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

- i. giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the year then ended; and
- ii. complying with Australian Accounting Standards, General Purpose – Simplified Disclosure, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2022*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards, General Purpose – Simplified Disclosure Requirements, and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial 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 the financial report.



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

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

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

Donovan Odendaal
Director
Sydney

Bentleys Sydney Audit Pty Ltd
Chartered Accountants

Dated: 16 October 2026

AUSTRALIAN WATER

ASSOCIATION

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