

ANNUAL REPORT //2018

ACN 143 616 764
ABN 74 143 616 764



ALLIANCE FOR
WATER STEWARDSHIP
ASIA PACIFIC

A LANDMARK YEAR FOR WATER STEWARDSHIP IN ASIA-PACIFIC

2018 HIGHLIGHTS

Significant advancements in AWS water stewardship have been made in Asia-Pacific in 2017-18. Not least of these was Renmark Irrigation Trust (RIT) in South Australia becoming the world's first irrigation scheme to achieve AWS certification (Gold). This paves the way for other groups of irrigators and farmers to adopt water stewardship. RIT is now looking at group certification opportunities for their farmers.

Pan-regionally, Alliance for Water Stewardship (AWS) Asia-Pacific's focus on key industrial clusters and two years of successful collaboration with WWF-China, has resulted in the City of Kunshan announcing financial incentives for industrial companies to achieve AWS Certification, the first large-scale incentive program for water stewardship. As one of the major clusters for the micro-electronics industry, our engagement in Kunshan has also drawn attention from global brands sourcing from China.

With support of the Australia Water Partnership, the first AWS Forum and Training was held and well attended in Indonesia. The Forum was attended by more than 40 participants, of which 22 participants continued into the training program. Mr Noer Adi Wardoyo, the Head of the Center for Standardisation from Ministry of Environment and Forestry gave the key-note presentation on the high economic prospects of Indonesia, but also the challenges on water that come with this development. AWS Asia-Pacific continues to support a representative in Indonesia and it will be a focus country for growth in the coming years.

Globally, we maintain a driving presence in the development of AWS. AWS Asia-Pacific Special Advisor on First People's Water Brad Moggridge delivered the key-note address at the AWS Global Water Stewardship Forum in Edinburgh and laid down a challenge for the water stewardship community to recognise and make room for indigenous voices on water across the globe. Brad is providing valuable input to the first revision of the AWS Standard and guidance to strengthen implementers' engagement with indigenous stakeholders and water issues, while AWS Asia-Pacific Director, Michele Akeroyd, joined the AWS Technical Committee that is completing the first revision of the AWS Standard, a crucial task that will provide the basis of water stewardship actions for the next five years.

Furthermore, our remarkable role in initiating and building the AWS Water Stewardship system has been documented in a new publication *The Evolution of Water Stewardship: An Australian Perspective*. It tells the story of how the concept, catalysed by Australia's Millennium Drought, developed into the global Alliance for Water Stewardship (AWS) system, engaging business, government and community and embraced by some of the world's biggest companies. Published by the Australian Water Partnership, the publication was launched in Stockholm by the Department of Foreign Affairs and Trade's Michael Wilson: "For us it pressed two important buttons; [water stewardship] promoted new collaborative approaches to the planet's escalating water challenges, and it brought in new players to addressing those water challenges, particularly the private sector."



GOVERNANCE

Water Stewardship Australia Limited, trading as AWS Asia-Pacific, maintained a full Board over the 2018 financial year, with six elected members (3-year rotation) and three co-opted members (1-year term). Long-standing Director of six years, David Waterson, retired at the 2017 AGM. David brought consistency and rigour to the governance of AWS Asia-Pacific, Chairing the Governance, Risk & Compliance Subcommittee for several years, driving development of our policies and procedures and reporting systems, and overseeing operations as Deputy Chair (Operations) in 2017. We recognise and thank David for his important contribution to the organisation. Jason Alexandra, previously co-opted, was elected to the Board and Peter Caswell, Michele Akeroyd and Gary Jones were co-opted.

The Board operates subcommittees to investigate various issues and make recommendations to the Board. The Board operated three subcommittees in 2018, with membership consisting primarily of Directors with support from co-opted experts. The Board does not abrogate its responsibilities to subcommittee members.

Business & Revenue Subcommittee

The focus of this Subcommittee is on the management of finances and business development, particularly with reference to the Strategic Plan (outlined above). Chaired by Peter Caswell in 2018.

Governance, Risk & Compliance Subcommittee

The focus of the Subcommittee is on the management of risks and issues associated with governance (encompasses the rules, relationships, policies, systems and processes whereby authority within the organisation is exercised and maintained) and compliance (conformance with various requirements, e.g., the company's constitution, policies, controls and procedures as well as with applicable external regulations and laws). The Subcommittee has established a risk management system of determining risk appetite, oversight, recognition, management, treatment and control. Chaired by Juliet Le Feuvre in 2018.

Technical, Projects & Programs Subcommittee

The Technical Subcommittee and the Projects & Programs Subcommittee were consolidated in 2018 to form one Subcommittee.

The focus of the Technical, Projects & Program Subcommittee is on: coordinating Australian contributions to revision of the AWS Standard(s); liaising with the International Standards Committee(s); selecting priorities and developing detailed discussion papers or proposals; having capabilities to contribute technical advice as and when required on any relevant aspect of the water stewardship system; the management of risks and issues associated with projects and programs underway within AWS Asia-Pacific; ensuring that projects and programs are aligned with the Strategic Plan; and identifying issues that could be influenced by or have an impact on the AWS Standard, training, and/or guidelines, as well as highlighting any opportunities for improvement. Chaired by Pat Feehan in 2018.

Public Fund

Water Stewardship Australia Limited also maintains a public fund, which is a tax-deductible gift recipient registered by the Australian Taxation Office and subject to the regulatory oversight of the Commonwealth Register of Environmental Organisations and the Australian National Charities and Not-for-profits Commission. All donations received are used to support the organisation's environmental objectives.



AWS Asia-Pacific CEO Michael Spencer

2016-2019 STRATEGY

Our 2016-2019 strategic goals were reviewed at a specially convened Board meeting in September 2017. While there was no radical change in strategic goals from the review, there was a recognition that we need to continue to improve and target our communication about water stewardship, and for the foreseeable future the bulk of our income will continue to be project income against which we will be required to deliver specified outcomes. The four strategic goals and key actions/outcomes delivered against them in 2017-2018 were:

1. The AWS System is working in and for the Asia-Pacific region

It is robust and credible. It is supported by locally appropriate guidance. It is accessible to the region's water users in a way that maximises catchment impacts and benefits. The Asia-Pacific is contributing to global development of the AWS Water Stewardship System.

Participate in and influence ongoing development of AWS System (standard, verification etc.). AWS Asia-Pacific Director Michele Akeroyd and Member Elizabeth Soal of the Waitaki Irrigators Collective joined the AWS Technical Committee. The Technical Committee is drawn from the AWS membership and helps to ensure the diversity of stakeholder interests are represented in the AWS technical processes. Over the last year, members of the Technical Committee invested huge amounts of time and grey matter in both revising the content of the AWS Standard and in stakeholder engagement. On behalf AWS Asia-Pacific, we recognise and thank Elizabeth and Michele for their commitment and diligence. AWS Asia-Pacific hosted stakeholder consultation events on the Standard review in Melbourne and by webinar in June 2018 and provided submissions on each draft of the Standard review.

Promote regionally relevant tools for AWS implementers in Asia-Pacific. With funding from the Lord Mayor's Charitable Foundation, AWS Asia-Pacific developed and trialled a web-based platform that delivers a suite of online water stewardship tools. The platform aims to make the AWS Standard more accessible to water users, especially farmers, small landholders and small to medium-sized organisations (SMEs). By providing a digital space for water stewardship learning, knowledge sharing and catchment-level collaboration, the platform aims to nurture and empower water stewards to take steps towards risk mitigation and performance improvement. We have prepared a concept note for further development of the AWS digital platform and improving its relevance to small and medium-sized organisations. We are currently seeking funding for this initiative.

Build capacity and capability of AWS System in the Asia-Pacific. Supported by the Australian Water Partnership (AWP), the AWS Asia-Pacific organised the first water stewardship forum and training in Indonesia. The goal was to create and further build on interest of key stakeholders, create more awareness and understanding on shared water challenges and opportunities, and support further partnership-building in Indonesia. The in-country capacity to deliver AWS certification has been built through the Indonesia Water Stewardship Event by: maintaining an AWS Asia-Pacific Indonesia Country Representative; and training 17 people to Specialist level, who are therefore eligible to apply for accreditation as AWS service providers (auditors, consultants and trainers). Training, seminars and workshops were also held in Australia, China, Taiwan, Thailand and Cambodia.



Country Representative Indonesia Basja Jantowski and Trainees

2. The AWS System is being sustainably embedded in the Asia-Pacific region

The Alliance for Water Stewardship Asia-Pacific is building a suite of strategic projects that demonstrate the benefits and opportunities of the AWS System in a way that builds a self-sustaining social enterprise to achieve its mission and vision.

Build relevant case studies through strategically targeted projects. Building on successful early engagement with industrial clusters in China through the AWP funded Indo-Pacific Water Stewardship Program, AWP further funded a China Industrial Parks Water Stewardship Program. As part of this program, The IDEEA Group and members of AWS Asia-Pacific conducted case studies on the Tianjin Economic Development Area (TEDA) and the Kunshan Economic and Technological Development Zone to assess how the System of Environmental Economic Accounting (SEEA) can support the monitoring, impact evaluation and reporting of the AWS Standard. This work has been published and will be presented at the AWS Global Water Stewardship Forum and other AWS events.

Build a critical mass of implementers in Australia and the Asia Pacific Region. Global brands are seeking to gain a full understanding of water use and impacts in their supply chains – not just direct suppliers but also tier 2 and 3 suppliers further upstream. Reaching out to the whole supply chain is not an easy task, but evidence from China has shown that AWS's approach can drive stewardship in supply chains, aiding promotion and adoption of AWS. AWS Asia-Pacific and the Australian Fashion Council are collaborating on supply chain water risk. Both parties worked on advocacy and promotion for Australian fashion business to look beyond water efficiency and promote stewardship and collective responses to water challenges. Baseline water risk studies have now been conducted of 40 Chinese wet-processing sites supplying Australian fashion brands Cotton On, Bianca Spender and Designworks. Results show both a potential for site-level improvements and increasing operational risk at production clusters. Another innovation is the launch of 'Australian Fashion Water Stewardship Program' which will work initially in textile clusters in China, and we are now engaging closely with global microelectronics

brands that are committing to improving water stewardship in their supply chains.

Scale-up engagement with water stewardship. This year, Renmark Irrigation Trust (RIT) in South Australia became the world's first irrigation scheme to achieve AWS certification (Gold). This paves the way for other groups of irrigators and farmers to adopt water stewardship. RIT is now looking at group certification opportunities for their farmers, while AWS Asia-Pacific is also aiming to use this experience and the resources developed to scale-up water stewardship in South Australia and the Murray Darling Basin.

3. AWS Water Stewardship is a recognised brand for sustainable water management

It has strong endorsement from all water stakeholders and is recognised as the system that can deliver socially equitable, environmentally sustainable and economically beneficial outcomes.

Build powerful brand in the region. A strong, credible brand linked to a system with proven integrity will drive commitment. Initial uptake of AWS water stewardship tended to be in response to identified water-related risks at specific sites. As the AWS system has grown, the value to members and partners of being linked to a credible brand has become more evident, as shown by the growth in multi-site commitments. With the narrative on water stewardship transitioning from risk response to value creation, the AWS brand needs to provide value for all users of the AWS system. Last year, AWS adopted the branding work initiated by AWS Asia-Pacific and the organisation has a standardised international brand, look and feel. This year a policy framework was developed for use of the brand in different circumstances such as use by members, partners, accredited service providers and certified entities. In 2019 we will support the first applications of the AWS on-product certification mark. Increased visibility of AWS brand via products will in-turn increase our visibility, influence and ability to support corporate & public policy goals.



Recognition and understanding of AWS water stewardship by key stakeholders. Communicating the impacts of AWS Certification to public sector agencies, green investors and philanthropists has the potential to generate benefits to implementers that will enhance the business case for water stewardship. The starting point is to understand that implementing the AWS Standard will generate public benefits, in terms of improved catchment health, as well as private benefits. Then, by providing a credible system for businesses to make claims of good water stewardship, AWS has the potential to be adopted by public-sector agencies as part of incentive policy towards achieving their public policy goals. For example, building on two years of successful collaboration with WWF-China, this year the City of Kunshan announced financial incentives (RMB100,000) for companies to achieve AWS Certification. These are part of a package of measures outlined by the City to address water pollution challenges and respond to National Government initiatives to clean-up China's air and water.

Build awareness in broader community about AWS and how it contributes to better water outcomes.

Despite the remarkable success of AWS water stewardship, its story is not widely known. There is little 'brand recognition' and awareness of Australia's key role in its development. Publications touching on water stewardship have been principally academic or technical in tone. To help fill this gap, the Australian Water Partnership commissioned and published *The Evolution of Water Stewardship: An Australian Perspective*. It tells the story of how the concept, catalysed by Australia's Millennium Drought, developed into the global Alliance for Water Stewardship (AWS) system, engaging business, government and community and embraced by some of the world's biggest companies. This publication helps fill a vital role in our knowledge architecture, with accessible, engaging material to assist understanding of Australia's role in the water stewardship system nationally and internationally while also contributing to the system's growth.

4. AWS Asia-Pacific has the resources and capacity to deliver on the above goals

It is building the financial capacity, people capability, governance, knowledge and learning systems necessary to engage stakeholders, ensure the system works, embed it in the region and build the brand.

Build the capability of our people to deliver goals

Retaining our CEO Michael Spencer, Regional Manager Zhenzhen Xu and Project Manager Megan McLeod has been fundamental to our ongoing success. With funding in 2017-18 we were able to engage additional personnel for our activities in Indonesia, with Industrial Parks in China, and on the web-based platform concept development. While these specifically-funded activities have been completed, we have since maintained capability in Basja Jantowski (Country Representative Indonesia), Lisa Idris (Project Consultant Australia) and Sally Ge (Project Officer China). We need to secure and build our financial resources to maintain, deepen and grow our human capacity and capability.

Our governance and financials are reported on in the other sections of this report.

NEW STRATEGY

The 2016-2019 goals were very useful guidance for creating the global Alliance, developing the Standard and building initial stakeholder engagement in our region. However, the focus now needs to turn to (1) increasing revenues, (2) building corporate partnerships, (3) raising awareness more widely and (4) further developing the organisation. This challenge is global. For this reason, the new strategy will be developed in collaboration with the new AWS Global strategy in 2019.



FINANCE

Total income for the year was \$741,559 and expenses for the year were \$650,679, resulting in a total annual surplus of \$90,880. However, just over 90% (\$678,860) of income was project-related, of which all [projects] have been successfully completed in 2018, highlighting our dependence on new projects for the foreseeable future. This is recognised in our developing business model, which is based around three key sources of revenue:

- (1) public sector and philanthropic contributions for addressing a particular water-related issue or problem;
- (2) private sector contributions for specific services (fees for direct delivery of training and support services, and accreditation fees for service providers; consultants, auditors, trainers); and
- (3) fees for brand association (membership fees, brand licensing fees).

As the water stewardship system develops from a stimulus (1), companies and service providers are willing to make small initial investments to trial or learn about the system. As the long-term relevance of the system is understood and rewards of good water stewardship are demonstrated, companies are willing to make more substantial investments in services (2) (e.g. a large microelectronics producer is currently on this threshold for rolling-out water stewardship throughout their supply chain in China), and in brand association (3) (e.g. Nestle has expanded their commitment and is seeking licensing agreements for the AWS brand).

This conceptual framework underpins the four-year strategy proposed in our next four-year investment plan to the AWP for the Indo-Pacific Water Stewardship Program, with the objective of achieving diversified and sustaining funding for water stewardship in the region. Nevertheless, the Board is also extremely aware of the developing need for water stewardship in Australia so is seeking to develop project opportunities here, as well as increasing and diversifying funding to maintain and improve the water stewardship system through Membership.

AWS Asia-Pacific Key Supporters



ACKNOWLEDGEMENTS

Thank you to the partners, foundations and organisations that supported our programs in 2017-18; the Australian Government through the Australian Water Partnership, the Lord Mayor's Charitable Foundation, WWF-China and Kunshan Environment Protection Bureau. We also acknowledge and thank our long-standing supporting partner Ingham's Group Limited.

Thank you to our members that are vital to our multi-stakeholder governance system and support organisational capacity; Melbourne Water, Fishprint, Council of Textile & Fashion, Environment Victoria, Goulburn Broken CMA, Waitaki Irrigators Collective, Waterfind Australia, Reparator Pty. Limited, Pinnacle Quality, Yarra Riverkeepers Association, Cotton On Group, and our individual members. Thank you to our Public Fund Trustees and donors. Untied funds received by donation help us to build essential capacity and deliver impactful projects.

Thank you to our regular volunteers that provided hundreds of hours service to AWS Asia-Pacific Nigam Vaid, Diana Caddy, Maddie Hornsby and Duncan Anderson. Lastly, we wouldn't have achieved anything without our dedicated staff and contractors that worked tirelessly for water stewardship in 2017-18 Michael Spencer, Zhenzhen Xu, Megan McLeod, Basja Jantowski, Lisa Idris, Jack Duan, Dhika Siddhartha, Gary Voss, Sejal Agarwal and Carolyn Lambert.

As we are preparing this year's report, AWS has just concluded the third Global Water Stewardship Forum and AGM in Edinburgh, Scotland where the value and importance of strong regional partnerships and networks in the development of AWS water stewardship and increasing uptake and impact was underscored. We look forward to working collaboratively with AWS on the shared global vision, mission and strategy for the next phase in water stewardship towards the prosperous and water secure world we want to see.

Professor John Langford AM
Chair

GLOBAL DEVELOPMENT OF THE AWS WATER STEWARDSHIP SYSTEM

THE AWS STANDARD

The AWS International Water Stewardship Standard (AWS Standard) offers a credible, globally-applicable framework for water users to understand their own water use and impacts, and to work collaboratively and transparently with others for sustainable water management within the wider water catchment context. Implementers follow the steps and guidance in the AWS Standard to achieve good water stewardship practices that improve site water performance and contribute to wider sustainability goals.

Developed through a four-year global multi-stakeholder process, the Standard supports implementing sites in understanding the local context and its shared water challenges, and to begin transparent and constructive engagement with other stakeholders. The AWS Standard is the only framework for water users that is fully compliant with the stringent requirements for standards systems laid down by ISEAL, the global umbrella organisation for credible standard systems.

Building trust and driving continual improvement

The multi-stakeholder processes through which the AWS Standard was developed provides users with a tested framework that drives transparency, builds trust and promotes a common catchment-level understanding of shared water challenges. The AWS System ensures integrity of Standard application via third party certification achieved through a network of accredited professional service providers who support and assess implementations of the Standard. Applicants are incentivised to drive continual improvement through three performance levels: core, gold and platinum.

AWS STANDARD V2.0

Version 1.0 of the AWS Standard was launched in 2014. Since then, the water stewardship community has gained many useful insights into the use and implementation of the AWS Standard. As part of AWS's commitment to continual improvement, and in line with ISEAL

requirements, a standard review and revision process is being undertaken that will lead to the launch of AWS Standard Version 2.0 in 2019.

The review and revision process is led by the AWS Technical Committee, a multi-stakeholder body comprised of representatives from AWS Members. Following several iterations of stakeholder consultation, the drafting of a revised standard and incorporation of feedback, the Committee will provide recommendations on the new iteration of the AWS Standard for approval by AWS Members. There will then be a transition period towards implementation of the new Standard, with a phased approach to the roll out during 2019. Accompanying the launch of v2.0 will be the development of updated and new guidance.

GLOBAL COMMITMENTS

2018 has seen significant growth in additional certifications by existing implementers. Following certification of two sites, Australian poultry producer Inghams is in the process of seeking certification for five new sites. Globally, eleven new sites were certified in 2018 bringing the total number of AWS certified sites to 25. As of writing 63 new sites have formally registered to undergo certification, expected to happen early 2019, with several hundred other sites anticipated to register for certification in the coming strategy period 2019-21.

The integrity of the AWS System and its demonstrable ability to deliver results has provided the confidence needed for more public commitments to AWS certification including Coca-Cola Hellenic's commitment to certifying all non-EU sites, Edeka's commitment to support certification of all high-risk supplier sites, PMI's commitment to certify 11 factories by 2020 and all operations by 2030, and Nestlé Waters commitment to certify all its sites worldwide by 2023.

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

1. MEETING ATTENDANCE

The Water Stewardship Australia Limited Board of Directors met six times in Financial Year 2018:

1. Board Meeting: 27th July 2017
2. Board Meeting: 12th September 2017
3. Board Meeting: 22nd November 2017
4. Board Meeting: 1st February 2018
5. Board Meeting: 29th March 2018
6. Board Meeting: 31st May 2018

Director attendance at meetings during the year ending 30th June 2018 is shown as follows.

Director's details are provided below in Appendix 1.

DIRECTOR	27.07.17	12.09.17	22.11.17	01.02.18	29.03.18	31.05.18
Akeroyd, Michele	co-opted November 2017			✓	✓	✓
Alexandra, Jason	✓	✓	✓			
Caswell, Peter	✓	✓	✓	✓	✓	✓
Feehan, Pat	✓		✓	✓	✓	✓
Jones, Gary	co-opted November 2017			✓	✓	✓
Langford, John	✓	✓	✓	✓		✓
Le Feuvre, Juliet	✓			✓	✓	
Pittock, James	✓		✓	✓	✓	✓
Rooney, Pauline	✓	✓		retired November 2017		
Seddon, Julia	✓		✓	✓	✓	✓
Waterson, David	✓	✓	✓	retired November 2017		

2. OFFICE BEARERS

Chair: John Langford

Deputy Chair: Julia Seddon

Deputy Chair (Operations): Pat Feehan

Secretary: Michael Spencer

3. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

4. PRINCIPAL ACTIVITIES

Water Stewardship Australia Limited is a membership-based organisation established to promote responsible water management in Australia.

5. OPERATING RESULTS

The net surplus for the year was \$90,880 (2017 deficit \$18,128).

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year, other than those referred to elsewhere in this report.

7. EVENTS SUBSEQUENT TO BALANCE DATE

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

8. FUTURE DEVELOPMENTS

It is most probable that developments in operations of the company and the expected results of those operations in future financial years will follow the current pattern.

9. DIVIDEND PAYMENT

The company is a company limited by guarantee incorporated and domiciled in Australia. It does not have share capital. The directors of the company are precluded by the company's Constitution from recommending the payment of any dividend.

10. AUDITOR'S INDEPENDENCE DECLARATION

The independent audit report of the auditor for the year ended 30th June 2018 is attached.

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

A handwritten signature in black ink, appearing to read 'John Langford', with a horizontal line underneath.

John Langford

Director

Dated this 30th of October 2018

APPENDIX 1 DIRECTORS' PARTICULARS**AKERROYD, Michele****Appointed 22nd November 2017**

- Qualifications: Bachelor of Science (Honours) (Flinders University of South Australia), PhD (University of Melbourne) Graduate of the Australian Institute of Company Directors.
- Experience: 2017-present Principal Advisor, Inside Infrastructure. 2017-present Director NN Service and Repair. 2012-17 Director, The Goyder Institute for Water Research. 2008-12 Program Manager, Water Research Australia. 2002-08 Murray-Darling Basin Commission. 1999-2002 Dept. Agriculture Fisheries and Forestry Australia. 1993-99 Graduate programs with CSIRO Land and Water, including PhD with the CRC Catchment Hydrology and University of Melbourne.
- Responsibilities: Member Technical, Projects & Programs Subcommittee, Member AWS Technical Committee.

ALEXANDRA, Jason**Appointed 29th January 2014**

- Qualifications:
- Experience: 1996-present Director, Alexandra and Associates Pty Ltd, 2009-13 Senior Executive, Murray Darling Basin Authority responsible for Natural Resource and Ecosystem Management. 2008 Senior Executive, Murray Darling Basin Commission responsible for Water Policy. Former Executive Director, Earthwatch Australia; Non- Executive Director Land and Water Australia. Organic farmer with over 30 years experience.
- Responsibilities: Member Technical, Projects & Programs Subcommittee.

CASWELL, Peter**Appointed 23rd November 2016**

- Qualifications: BBus, Fellow Governance Institute of Australia, FCIS, Member of the Australian Institute of Company Directors.
- Experience: 2012-present Director Chairman Bio Organics Group (Hong Kong) Limited. 2010-present Director and Founder of Reparator Pty. Limited. Previous involvements as Company Secretary, Chief Financial Officer and Business Development Officer for large Agricultural businesses, both private and listed, in Australia and mineral exploration businesses exploring in PNG, Malaysia, Thailand, Philippines and Central America, and Business Consultant with nem Australasia Pty Limited.
- Responsibilities: Chair Business & Revenue Subcommittee, and Member Technical, Projects & Programs Subcommittee.

FEEHAN, Pat**Appointed 31st January 2013**

- Qualifications: Bachelor of Science (University of Melbourne), Graduate Diploma of Computing (Deakin University), Company Director Course Diploma (AICD).
- Experience: 2007-present Director Feehan Consulting. 2006-7 Manager, Catchment Programs, Goulburn-Murray Water. 2002-6 Manager, Environment and Natural Resources, Goulburn-Murray Water. 1994-2002 Manager, Natural Resources and Water Quality Coordinator, Goulburn-Murray Water. 1975-94 Department of Sustainability and Environment (and predecessors), various roles including soil conservation, public land management, landcare, tree growing, salinity.
- Responsibilities: Deputy Chair (Operations), Chair Technical, Projects & Programs Subcommittee, and Member Governance, Risk & Compliance Subcommittee.

LANGFORD, John**Appointed 21st March 2013**

- Qualifications: Bachelor of Engineering (Agriculture) (University of Melbourne), PhD (Overland flow hydraulics) (University of Melbourne).
- Experience: 2003-present Professional Fellow, University of Melbourne, including; Director, Uniwater, and Director, Australia China Centre of Water Resource Research. 18 years Melbourne Board of Works; forest hydrology research, water supply planning and operations, corporate development, and water pricing reform. 1.5 years State water planning initiating demand management and water markets. 7.5 years Director of Operations and Managing Director, Rural Water Corporation of Victoria. 4 years Commissioner of the Murray Darling Basin Commission. 1990-2014 Board Chairman of the Murray Darling Freshwater Research Centre. Board Chairman, Cooperative Research Centres of Catchment Hydrology (12 years) and Freshwater Ecology (13 years). Former Board member, Peter Cullen Water and Environment Trust. Honorary Professorial Fellow Department of Infrastructure Engineering, University of Melbourne.
- Responsibilities: Chair, and Member Technical Subcommittee.

LE FEUVRE, Juliet**Appointed 25th May 2010**

- Qualifications: Bachelor of Arts (Hons) (Cambridge University).
- Experience: 2006-present Environment Victoria Healthy Rivers Campaigner. 2005-6 Australian Conservation Foundation Direct Marketing Officer. 2002-5 Australian Conservation Foundation Land and Water Program Assistant.
- Responsibilities: Chair Governance, Risk & Compliance Subcommittee, and Member Business & Revenue Subcommittee.

Jones, Gary**Appointed 22nd November 2017**

- Qualifications:** Bachelor of Science (Botany & Chemistry) (Honours) (Monash University), PhD (Marine Chemistry & Ecology) (University of Melbourne), Fulbright Fellow (Post-Doctoral) (Massachusetts Institute of Technology), Australian Institute of Company Directors Diploma.
- Experience:** 2016-present Director, International Water Resources Association. 2012-present Adjunct Professor, University of Canberra. 2018 Chair, International Scientific Committee, XVII World Water Congress, Daegu 2020, International Water Resources Association (IWRA). 2015-17 CEO, Australian Water Partnership. 2015-16 Executive Director, eWater Limited. 2010-13 Chair, International Riverfoundation. 2005-12 Chief Executive, eWater Cooperative Centre (CRC). 2001-12 Professor of Water Science, University of Canberra. 2001-5 Chief Executive and Director of Knowledge Exchange, CRC for Freshwater Ecology. 1989-2001 Senior Principal Research Scientist, CSIRO Land & Water. 1987-9 Senior Research Fellow, University of Newcastle Upon Tyne.
- Responsibilities:** Member Governance, Risk & Compliance Subcommittee, and Member Business & Revenue Subcommittee.

PITTOCK, James**Appointed 25th May 2010**

- Qualifications:** Doctor of Philosophy (The Australian National University), Bachelor of Science (Monash University), Member of the Australian Institute of Company Directors.
- Experience:** 2012-present Associate Professor, Fenner School of Environment and Society, The Australian National University. 2010-present Director of International Programs, UNESCO Chair in Water Economics and Transboundary Water Governance and Principal of James Pittock Consulting. 2010-13 Program Leader, Australia and United States Climate, Energy and Water, US Studies Centre. 2007-10 PhD Scholar, Fenner School of Environment and Society, The Australian National University. 2000-7 Director, Global Freshwater Programme, WWF International. 1994-2000 Manager of Nature Conservation and the Murray-Darling Basin, WWF Australia. 1990-4 Environmental advocate for various Australian non-governmental organisations.
- Responsibilities:** Member Governance, Risk & Compliance Subcommittee, and Trustee WSA Limited Public Fund.

ROONEY, Pauline**Appointed 23rd November 2016-22nd November 2017**

- Qualifications:** Masters Business Administration (MBA), Diploma of Teaching (DipT), Graduate Member Australian Institute of Company Directors (GAICD).
- Experience:** 2013-present Deputy Chair, Junction Australia. 2003-16 Chair, Waterfind Australia. 2010-13 President, Womens Housing Association. Previous involvements including State President, Real Estate Institute of SA. Board Member, Healthy Rivers Australia. Winner, SA Business Woman of the Year 1996.
- Responsibilities:** Member Business & Revenue Subcommittee and Member Governance, Risk & Compliance Subcommittee.

SEDDON, Julia**Appointed 25th May 2010**

Qualifications: Masters Environment and Business Management (University of Newcastle), Bachelor of Applied Science (Environmental Assessment and Management) (University of Newcastle).

Experience: 2017- present General Manager Corporate Affairs, Inghams Group Ltd. 2015-17 Head of Business Sustainability, Inghams Enterprises. 2008-15 Group Environment Manager, Inghams Enterprises Pty Limited. 2006-8 Environment Manager, Inghams Enterprises Pty Limited. 2000-6 Environmental Engineer, Inghams Enterprises Pty Limited. 1998-2000 Environmental Planning Officer, Major Development Unit, NSW Department of Urban Affairs and Planning; and Environmental Planning Officer, Hunter and Central Coast, NSW Department of Urban Affairs and Planning.

Responsibilities: Deputy Chair.

WATERSON, David**Appointed 14th September 2011-22nd November 2017**

Qualifications: Bachelor of Science (Hons) (University of Melbourne), Bachelor of Science (Education) (University of Melbourne), Graduate Diploma in Computing (RMIT).

Experience: 2011-present Principal, Energised Projects with a focus on implementing Government policy reforms in the energy industry. 2009-11 Executive General Manager, Information Management & Technology, AEMO. 2007-9 General Manager, Development and Strategy, NEMMCO. 2005-7 Head of Wholesale Market Development, NEMMCO. 1997-2005 Head of Information Services, NEMMCO.

Responsibilities: Deputy Chair (Operations), Member Governance, Risk & Compliance Subcommittee, and Member Technical, Projects & Programs Subcommittee.

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 15 to 23 are in accordance with the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (a) comply with Accounting standards and Corporations Regulations 2001 and the Australian Charities and Not-for-Profits Commission Regulation 2013; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Langford
Director

Dated this 30th of October 2018

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash assets	4	50,309	158,050
Receivables & Prepayments	5	<u>258,995</u>	<u>30,240</u>
TOTAL CURRENT ASSETS		<u>309,304</u>	<u>188,290</u>
NON CURRENT ASSETS			
	6	<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>309,304</u>	<u>188,290</u>
CURRENT LIABILITIES			
Payables	7	149,313	40,400
Other	8	<u>21,304</u>	<u>100,083</u>
TOTAL CURRENT LIABILITIES		<u>170,617</u>	<u>140,483</u>
TOTAL LIABILITIES		<u>170,617</u>	<u>140,483</u>
NET ASSETS		<u>138,687</u>	<u>47,807</u>
EQUITY			
Retained surplus	9 10	<u>138,687</u>	<u>47,807</u>
TOTAL EQUITY		<u>138,687</u>	<u>47,807</u>

The accompanying notes form part of these financial statements

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		\$	\$
Revenue from ordinary activities	2	741,559	344,617
Expenses	3		
Administration expenses		(118,227)	(103,747)
Project delivery		(397,098)	(183,182)
Employee		(135,354)	(75,817)
		<u> </u>	<u> </u>
Net surplus(deficit) from ordinary activities	10	<u>90,880</u>	<u>(18,128)</u>

The accompanying notes form part of these financial statements

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Funds
	\$
Balance as at 1 July 2017	<u>47,807</u>
Surplus (Deficit) for the year	<u>90,880</u>
Less Income Tax Expense	<u>-</u>
Surplus (Deficit) for the year	<u>90,880</u>
Balance as at 30 June 2018	<u>138,687</u>

The accompanying notes form part of these financial statements

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Cashflow From Operating Activities:		
Cash receipts in the course of operations	501,541	672,727
Cash payments in the course of operations	<u>609,282</u>	<u>578,076</u>
Net Cash provided by (used in) operating activities	<u>(107,741)</u>	<u>94,651</u>
Cashflow From Investing Activities:		
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>
Cashflow From Financing Activities:		
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(107,741)	94,651
Cash at the beginning of the financial year	<u>158,050</u>	<u>63,399</u>
Cash at the end of the financial year	<u>50,309</u>	<u>158,050</u>

The accompanying notes form part of these financial statements

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

NOTES TO AND FORMING PART OF THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:-

	2018	2017
	\$	\$
Cash deposits with banks	<u>50,309</u>	<u>158,050</u>
	<u>50,309</u>	<u>158,050</u>

RECONCILIATION OF CASH FLOW FROM OPERATIONS
WITH OPERATING SURPLUS FROM ORDINARY ACTIVITIES

Operating Surplus (Deficit)	90,880	(18,128)
Changes in Assets and Liabilities		
(Increase)/decrease in Receivables	(228,755)	328,110
Increase/(decrease) in Trade Creditors and Accruals	<u>30,134</u>	<u>(215,331)</u>
CASH FLOW FROM/(USED IN) OPERATIONS	<u>107,741</u>	<u>94,651</u>

The accompanying notes form part of these financial statements

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
STATEMENT OF COMPLIANCE

The financial report is a general-purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and the Australia Charities and Not-for-Profits Commission.

The financial report covers Water Stewardship Australia Limited as an individual entity. Water Stewardship Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue Recognition

Revenue is recognised at the fair value of the consideration received to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

The following specific recognition criteria must be met before revenue is recognised:

- (i) Interest Revenue – Where the interest rate is variable and the amount of interest cannot be reliably estimated, revenue is recognised as interest is received.
- (ii) Grants – Government grants are recognised as revenue where there is reasonable assurance that the grant will be received and all attached conditions complied with:
 - the entity obtains control of the contribution or the right to receive the contribution;
 - it is probable that the economic benefits comprising the contribution will flow to the entity; and
 - the amount of the contribution can be measured reliablyManagement judgement is required in determining when control of the funding received is obtained by the Company through compliance with the attached conditions and by meeting the envisaged obligation to spend the funding on specific projects.

In the prior year, revenue from sponsorships and grants was recognised when the right to receive a sponsorship or grant was established.

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(b) Income Tax

No Income tax is payable by the company as the Australian Taxation Office has endorsed the Company for Charity Tax Concessions, and from 1 February 2014 the company is exempt from income tax.

(c) Trade and Other Creditors

These amounts represent unpaid liabilities for services provided to the company prior to the end of the financial year. The amounts are unsecured.

(d) Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash.

(e) Goods and Services Tax (GST)

The Company is registered for Goods & Services Tax.

(f) Critical Accounting Estimates and Judgements

The directors' estimates and judgements incorporated into the financial report are based on historical results and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data from internal and external sources.

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 2 REVENUES		
<u>Revenue from operating activities</u>		
Donations	1,050	10,731
Subscriptions & Training	60,297	29,621
Grant Revenue & Consulting Fees	678,860	300,971
Interest	1,352	3,294
Total revenue	<u>741,559</u>	<u>344,617</u>
Note 3 EXPENSES		
<u>Administration Expenses</u>	713	1,560
Advertising	713	1,560
Audit, Bookkeeping & Accounting	3,970	3,265
Events	5,450	13,548
Bad debts	11,263	-
Bank Fees	1,653	792
Consultancy Fees	13,500	19,566
Conference & Meeting Expenses	2,829	2,555
Sundry	5,076	8,043
Telephone & Internet	1,745	1,297
Rent	7,673	7,677
Travel	60,152	42,493
Insurance	4,203	2,950
	<u>118,227</u>	<u>103,746</u>
<u>Employee Expenses</u>		
Employees	135,354	75,817
	<u>135,354</u>	<u>75,817</u>
Note 4 CASH ASSETS		
Cash deposits with banks	<u>50,309</u>	<u>158,050</u>
Note 5 RECEIVABLES – CURRENT		
Other Debtors & Expenditure in Advance	60,000	2,034
Trade Debtors	198,995	28,206
	<u>258,995</u>	<u>30,240</u>
Note 6 NON CURRENT ASSETS		
Non Current Assets	<u>-</u>	<u>-</u>
Note 7 PAYABLES – CURRENT		
Trade Creditors	105,452	19,583
Other Creditors	43,861	20,817
	<u>149,313</u>	<u>40,400</u>

Note 8 CURRENT LIABILITIES – OTHER

Unexpended funding has been carried forward as follows:

Current – unsecured

Program funding received in advance	21,304	100,083
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Note 9 MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute \$10 each towards meeting any outstanding obligations of the company.

Note 10 RETAINED EARNINGS

Retained surplus at the beginning of financial period	47,807	65,935
Net operating surplus (deficit) for period	90,880	(18,128)
Retained surplus	<u>138,687</u>	<u>47,807</u>

Note 11 RELATED PARTY TRANSACTIONS

Directors' Remuneration:

There was no remuneration paid or payable to the directors of the company.

Note 12 COMPANY DETAILS

The registered office of the company is:
C1.04, Abbotsford Convent
1 St Heliers St
Abbotsford VIC 3067

Note 13 ECONOMIC DEPENDANCY

A significant portion of untied income is received from member subscriptions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATER STEWARDSHIP AUSTRALIA LIMITED

I have audited the accompanying financial report, being a general purpose financial report, of Water Stewardship Australia Limited (the Company), which comprises the balance sheet as at 30 June 2018, the statement of income, statement of changes in equity, cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members of Water Stewardship Australia Limited.

I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those assessments, the auditor considers Internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members of Water Stewardship Australia Limited. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members of Water Stewardship Australia Limited or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of Water Stewardship Australia Limited:

- (a) gives a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complies with Australian Accounting Standards to the extent described in Note 1.

Barry Hodson FCPA
Certified Practising Accountant
PO Box 139
Kuranda Qld 4881
Tel: 07 40939770



ASIC registered auditor 1936

Dated 31st October 2018

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