

## 2005 – 06 ANNUAL REPORT



Association of Building  
Sustainability Assessors Incorporated

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# About ABSA



The Association of Building Sustainability Assessors (ABSA) Incorporated is a not-for-profit incorporated association. It was established under the *Associations Incorporated Act NSW* on 10 October 2003 by the Sustainable Energy Development Authority (now the Department of Energy, Utilities and Sustainability), the House Energy Rating Management Board (HMB) and building industry professional associations. During 2005 – 2006 ABSA applied to become a National Company. As of 15 September 2006 ABSA was registered as a Company limited by guarantee under the Corporations ACT 2001.

ABSA aims to support improvements in the environmental sustainability of buildings, through:

- managing accreditation and quality assurance schemes for building sustainability assessment;
- providing training and support for sustainability assessors;
- liaison with Government, industry organisations and related stakeholder groups;
- building capacity, expertise and professionalism in sustainable building in all sectors of the construction industry; and
- providing advice and information to councils, building professionals and consumers.



As at 30 June 2006, ABSA was responsible for accrediting 424 Residential Building Thermal Performance Assessors across Australia, involving:

- administration of assessor procedures, including a Code of Professional Practice and assessment protocols;
- auditing of assessors;
- provisions of technical assistance to assessors;
- administration of assessment by expert opinion; and
- training for building industry professionals.



# Services



ABSA manages accreditation and quality assurance schemes for sustainability assessors. Accredited Assessors have met training and examination requirements and are subject to regular auditing. ABSA accreditation is mandatory for assessors conducting assessments required by certain building and planning regulations. In New South Wales, ABSA Accredited Assessors are required for submitting Thermal Performance Assessments under the Building Sustainability Index (BASIX) and in Western Australia they perform assessments under the Building Code of Australia (BCA). It is expected that other States and Territories will soon benefit from the services offered by ABSA.

ABSA hosts regular seminars and workshops on sustainable development topics. Our training events are developed and presented by leading industry experts. They're designed to provide our assessors and other building professionals with detailed, practical skills and knowledge.

ABSA administers an Expert Panel to assist assessors and designers find solutions for complex projects, staffed by experienced building physicists and sustainable development experts. The Expert Panel provides an alternate path to determining compliance with mandatory regulatory requirements for novel or complex projects that can not be assessed by standard assessment programs.



ABSA provides a range of support services for sustainability assessors. In addition to providing a help desk, training and resources, ABSA offers support and mentoring through its Advisory Group - experienced assessors available to assist new assessors, to ensure they're providing high quality professional service.



ABSA management and support services are provided by our full-time staff, based in our offices at Level 11 418A Elizabeth St., Surry Hills. Some training, resource and policy development is undertaken by contracted consultants.



# Board of Directors



ABSA is governed by a Board of Directors comprised of representatives of Government, industry organisations and assessors elected by its members.

## **Dick Clarke : President (to January 2006)**

*Building Designers Association of NSW representative*



Dick Clarke is an Accredited Building Designer with a design practice of 28 years focusing exclusively on ecologically sustainable and culturally appropriate buildings. He is Director of Sustainability and Past President of the Building Designers Association of NSW, and has received several Design Awards.

He sat on the Industry Liaison Committee of the Australian Greenhouse Office's highly acclaimed 'Your Home' design guide, as well as authoring and consulting on some of its content. He continues to be involved with various government and non-government bodies on environmental issues and the built environment. He currently represents the Building Designers Association of Australia on the NatHERS review (Technical Advisory Committee) committee.

He has presented many seminars and workshops on sustainable design and correct building practice, and is completing a Masters research degree at the Institute for Sustainable Futures (UTS) on improving the sustainability of the built environment.

## **David Howard : President (from January 2006)**

*Board appointee*



David is an Electrical Engineer with previous employment in NSW power supply companies. Since 1996 he has been a Director of Partners Energy Management, which is focused on reducing energy use in the residential and small business sectors. David has been a Housing Thermal Performance Assessor since 1997 and a Commercial Building Assessor under the Australian Building Greenhouse Rating Scheme since 2002.

He has worked with the NSW Sustainable Energy Development Authority implementing Energy Smart Homes policies for new residential development throughout NSW. David assists planners and developers to create sustainable housing developments, and as an accredited Certificate IV trainer conducts training for people within the building industry in Thermal Performance. He regularly speaks to communities and special interest groups on greenhouse gas reduction strategies and sustainable housing.

### **Felicity Stening : Secretary**

*NSW Department of Energy, Utilities and Sustainability (DEUS) representative*

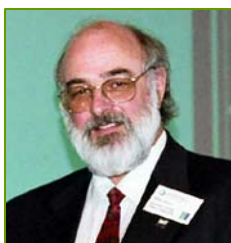


Felicity is the Senior Program Officer managing the Business and Government Energy Efficiency programs at the NSW Department of Energy, Utilities and Sustainability. Her role involves developing a best practice energy efficiency initiative to encourage top NSW companies to reduce energy use beyond mandatory requirements. Felicity also assists government agencies to meet their commitments under the NSW Government Energy Management Policy.

Previously with the Sustainable Energy Development Authority, Felicity managed residential energy efficiency including the Energy Smart Homes Program which established partnerships with local government to introduce mandatory energy performance standards across 80% of new development in the state - laying the foundation for the Building Sustainability Index (BASIX). Felicity has also managed fuel-switching projects to reduce peak demand in rural areas.

### **Max Mosher : Treasurer**

*Board appointee*



Max Mosher is proprietor of and energy consultant with Comfy House Design, which provides advice and design assistance on energy efficient homes. Max was the first Accredited Assessor in NSW for the Nationwide House Energy Rating Scheme (NatHERS) and has operated key energy advisory and referral services on behalf of the NSW Government for over a decade.

Max is an in-demand speaker and regularly delivers talks on sustainable housing to TAFE students, government, industry and community groups.

### **Bill Burns**

*Australian Institute of Building Surveyors (AIBS) representative*



Bill Burns is an accredited Building Surveyor with many years experience in development, building and environmental control in Local Government and the private sector.

In his current position as Executive Officer, AIBS (NSW Chapter), Bill is involved in the management of the Chapter's activities, its Continuing Development Programme, and has a strong background in the development of the accreditation of Building Surveyors in NSW. Bill previously held the positions of Executive Director of the Australian Institute of Environmental Health (NSW Division), Director of Bill Burns & Associates Development and Building Consultants, and Chief Health and Building Surveyor with Lane Cove Council.

Bill has been extensively involved with state government through membership of Committees of Advice such as DIPNR's Accreditation Taskforce, Quality of Construction Committee and the Building Professionals Board's Working Party. His roles as President and Director of the Health & Building Surveyors Association involved him in the affairs of professionals in Local Government.

### **Chris Kinsela**

*NSW Housing Industry Association (HIA) representative*



Chris Kinsela is National Technical Services Manager for Australand Holdings Ltd, a nationwide developer with revenue of over 1.3 billion per year.

His role involves developing and maintaining estimating and drafting computer systems, providing technical support, and monitoring industry trends to ensure building designs satisfy changing market and regulatory requirements.

### **Peter Meredith**

*Master Builders Association (MBA) NSW representative (until 23 May 2006)*



In his role as Director – Housing for the NSW MBA, Peter Meredith represents the organisation and its members on all industry housing sector issues. He oversees the operation of all association regional offices, represents the MBA on various local and state government committees and working parties, and is directly responsible for the MBA's insurance, liaison, technical and sustainable building departments.

### **Michael Hall**

*Master Builders Association (MBA) NSW representative (as of 23 May 2006)*



As Training Manager for the NSW MBA, Michael Hall represents the organisation and its members on all industry training issues. He oversees the operation of training activities by the MBA and represents the MBA on various committees and working parties examining trade training and professional development policy issues. His previous experience included training and project management within the NSW construction industry and for the Army.

### **Tone Wheeler**

*Royal Australian Institute of Architects representative*



Tone Wheeler is an architect, author, educator and consultant with an abiding interest in environmental architecture and sustainable design.

Tone founded the architectural practice Environa Studio 20 years ago and now has offices in Sydney and Melbourne, designing individual and multiple housing projects, commercial buildings and urban design schemes.

He has won numerous awards and competitions, is a member of the RAI National Environment Committee, has been on the faculty of three universities and is a frequent speaker at architectural conferences and seminars.

## **Victor Yanchenko**

*Elected Members Representative*



Victor Yanchenko is an architect with a strong interest in sustainable design. Victor founded the practice VZ Yanchenko Pty Ltd in 1982 and has worked on design documentation and management of a wide variety of projects, including: golf resorts and residential projects throughout Asia; and industrial, educational, aged care facilities and single dwelling projects in NSW.

Victor provides expert consultancy services to leading NSW architectural practices, developers, building companies and building consultancy practices. He has conducted project planning and financial feasibility analysis and implementation of various projects in the Sydney metropolitan area, and is a guest lecturer in CAD at the University of NSW's Faculty of Architecture.

## **Anthony Nolan**

*Elected Members Representative*



Anthony Nolan is a senior associate at Kennedy Associates Architects, and is an acknowledged industry leader in the integration of environmental sustainability and architecture. He is also a long standing member of the Environment Committee of the Royal Australian Institute of Architects.

Anthony has presented papers at numerous conferences and forums, is a regular contributor to architectural journals on the integration of architecture and sustainability, and is a tutor in Architectural Science at the University of Technology, Sydney.

This governance structure ensures that ABSA:

- responds to the needs of its members;
- provides a forum for developing cooperation amongst all stakeholders; and
- maintains the probity and credibility of its role as an accrediting body recognised under state regulations.



# ABSA President's Report

*David Howard*

## **A new national organisation**

Following on from 2005-06 ABSA continued to grow into its new role as a national accreditation body for Building Thermal Performance Assessors. This process has involved significant consultation with all States and Territories. Western Australia became the first State, outside of NSW, to recognise ABSA Accreditation services in their State based Thermal Performance rating processes. Other States have indicated their approval for late 2006 – early 2007.

With the implementation of the BCA 2006 Energy Efficiency provisions and the heightened awareness that Thermal Performance plays in today's housing industry across Australia, the release of 2<sup>nd</sup> generation Thermal Performance software was closely monitored. Unfortunately the release of 2<sup>nd</sup> Generation tools was too late to be adopted within the framework of the BCA for the year 2006, however its adoption should occur, in most legislatures, prior to December 2006 for commencement in the 2007 BCA revisions.

Development proceeded with the new national qualification of Thermal Performance Assessment which gained VETAB Accreditation in September 2006. This qualification heralds a new standard in the Assessor profession in Australia and its importance is substantial in partnering a new era of building design change. Not just for the sake of Regulation, this change benefits provides the benefits comfort, increased market expectation of improved housing standards within the average Australian home, and associated environmental benefits.

In just a little over 2 years, ABSA through its alliances within the building industry has been at the forefront of standardisation, improved thermal performance of housing, and improved industry understanding of what it means to design and build 'sustainable and comfortable' homes. It's hard not to be excited by the potential that exists in this new Industry sector. To be a key player in improving the quality of housing in Australia is very stimulating.

## **Service**

A key objective for ABSA was to consolidate and improve existing services and develop new skills and opportunities for assessors.

ABSA recognised that immediate, personal support for assessors was a top priority. ABSA staff responded to approximately 1000 phone and email enquiries from assessor each month – approximately 12000 in total throughout the year and a significant 25% increase on the enquiry levels in 2004-05. In most instances, all enquiries were responded to either on the spot or within 24 hours.

ABSA's staff performed beyond expectation and currently comprise of:

**Matt Fisher** – Accreditation Manager

Matt is responsible for the national development and co-ordination of all aspects of ABSA's Rating and Accreditation schemes. Matt is a graduate architect and has worked for several years in the area of sustainable design. He holds a Masters degree in Environmentally Sustainable Development (completed UNSW 2002) and has since worked on managing the NSW House Energy Rating Scheme. He was the Program Manager for the House Energy Rating Management Body (HMB) prior to his engagement by ABSA.

**Andrew Tanzos** – Technical Officer

Andrew is the technical officer responsible for both providing Assessor support through the phone helpline and email services, and administering both the Accreditation and Examination processes. Prior to coming on board with ABSA, Andrew was an ABSA assessor for two years and performed Sustainability Consulting and BASIX Assessments since its inception.

**Caroline Willis** - Office/Training Administrator

Caroline Leads ABSA's Office and Training Administrative Unit, ensuring that all activities are operated effectively and efficiently. Carolyn has a background in environmental science through the completion of a Bachelor of Applied Science (Parks, Recreation and Heritage) from Charles Sturt University Albury. Carolyn majored in Ecosystem Management and minored in Ecology. Carolyn joins us from Taronga Zoo where she was involved with the vertebrate and invertebrate Pest Management program for the Zoo.

**Bernard Hockings** – Project Manager

Bernard has been a driving force behind the development of ABSA nationally. He plays key roles both in stakeholder liaison as well as in the advising and development of core aspects of ABSA Accreditation Scheme. Bernard has over 25 years of experience as a builder, environmental consultant and training professional. He held the position of the Environmental Manager for the Newcastle MBA and in this role has been heavily involved the management House Energy Rating Scheme in NSW. He has been a key player in the progression of sustainable issues within the construction industry, frequently providing advice on the challenges facing the industry and the strategies required to overcome possible barriers. He has also been heavily involved in progressing knowledge and building professional capacity in the area of building sustainability and has presented hundreds of seminars and training events to communities, council staff, schools and the building industry across Australia and is a highly respected knowledge leader in his field.

During the year, Ronald Devries and Stephanie Pillora occupied the positions of Business Manager and Executive Officer respectively. Managing our young, fast growing and demanding association, with major financial constraints, has to be one of the hardest roles that one can play.

Both Ronald and Stefanie excelled in these roles and both assisted in keeping the association on a stable and positive course.

Not only did Stephanie manage the day to day operations of ABSA, she also oversaw the project management of significant and sizable consultancy projects including the Building Industry Training in Sustainability, the National Accurate Pilot, and National Least Cost Assessment projects,

effectively lifting 2<sup>nd</sup> generation software 'off-the-ground' in Australia. This is something which will provide all Australians with benefits far into our future. Her contribution to reducing Greenhouse Gas Emissions in this country can not be understated.

All members of both the ABSA staff and the Board have contributed significant energy and commitment, often beyond the call of duty, in enabling ABSA to grow into the organisation it has become. In particular, I must thank Bernard Hockings for donating an enormous amount of his energy and time to help build ABSA and promote sustainability.

ABSA's online and database systems are central to the operation of ABSA's services and received a major upgrade during the year, including:

- Continued modifications to Certificate Manager and online systems to support new BASIX standards.
- Changes to the website to allow assessors to join online as ABSA members.
- More information on training events.
- Consolidation of administrative systems and processes.
- Adoption of new volume rates for Certificate generation and linked payments for PI Insurance.

The ABSA website was well utilised, and the certifying tools central to the operation of Assessor practice. The web-based assessor forum continued to enable ABSA assessors and staff to improve the exchange of information. In its most basic form this forum allowed members to express their opinions on matters of interest and did so passionately and vigorously. It is also a central resource for ensuring all Assessors are informed about changes to regulation and rating procedures.

## **Professional standards and procedures**

Throughout 2005 – 2006 the national NatHERS administrators to produce a draft document *"the Nationwide House Energy Rating Scheme Protocol for Assessor Accrediting Organisations"* for the definition of suitable Accreditation and Quality Assurance processes and standards throughout Australia. Until this time each administration has had varying approaches to this matter. The development of this protocol is a significant development to ensure suitable standards are held by all Accrediting Organisations and their members. ABSA has developed all of the necessary services and systems within our national Scheme to provide each of the States and Territories the option for creating consistency and confidence in people who perform the function of thermal performance assessment.

The ABSA Code of Practice that assessors must abide by was amended in relation to provisions for suspension/cancellation of accreditation, professional conduct requirements, conflicting interests, communication with clients, privacy of information, continuing professional development, and disciplining of assessors.

Documentation standards were also identified as an important area for improvement. ABSA enhanced the Certificate Manager offline database tool, which assists assessors to issue certified reports. Upgraded standards of certification were carefully designed to meet the requirements of both BASIX and the BCA, and streamline data entry were implemented during the year.

As part of ABSA's commitment to improved training and examination standards, ABSA developed standards to increase assessor competency in the areas of building thermal performance theory, assessment software operation and regulatory application of assessments. This development work was done in consultation with both federal and state governments, and the finalised competency framework was submitted for recognition by the Australian National Training Authority (ANTA).

## Training and events

As noted earlier, ABSA completed its contract with the AGO for the development of a National Training Framework package for Thermal Performance Assessor training and examination. This training for 2<sup>nd</sup> Generation Software extends training to a 4 day qualification including modules on Building Thermal Performance Theory, 2<sup>nd</sup> Generation software operation, and Professional Practice. This qualification is the basis for Assessors who elect to become Accredited and use 2<sup>nd</sup> Generation software.

ABSA continued to provide annual continuing professional development training. Professional Practice Briefings were held in NSW in March and April, related to the changes in BASIX. Sessions were provided in 10 locations including Sydney metropolitan, Penrith, Nowra, Queanbeyan, Albury, Orange, Tamworth, Newcastle, Coffs Harbour, Port Macquarie and Ballina.

The objectives of the briefing sessions were to:

- ensure that assessors understood the BASIX Thermal Comfort Simulation Method procedures and the impact that building thermal performance has on BASIX ratings;
- ensure that assessors understood ABSA certification and documentation requirements; and
- inform assessors about ABSA business changes and allow the opportunity for assessors to provide feedback on the association.

An ABSA Professional Practice Briefing was also provided in Western Australia in May 2006.

The objectives of the briefing sessions were to:

- Introduce *the National qualification, Evidence of suitability - 'appropriately qualified persons', National Assessor Register and the role of ABSA*
- Provide an update of ABSA Assessor Procedures and rating regulations*
- Provide an update on 2nd generation software*
- Discuss the implications of BCA2006 5 star regulations to energy efficient design in Western Australia*

ABSA also provided a significant amount of other training throughout the year, including:

- 32 sessions of a four-hour *BASIX Introduction* training course, offering an overview of the planning tool and its context within broader regulatory frameworks. The course was delivered in 13 locations via industry partners including the Housing Industry Association, Master Builders Association and Building Designers Association, as well as some local councils. Many assessors also took the opportunity to attend these courses.
- 6 sessions of an eight-hour *BASIX Solutions* workshop, offering a deeper understanding of BASIX and how to comply with its requirements.
- 20 sessions of the Building Industry Training in Sustainability nationally. *The seminars provided in-depth coverage of key principles of designing for sustainability, including four 8 hour modules on Thermal Performance, Water Management, Energy Services, and Waste and Materials.*

## **National AccuRate Pilot**

The National AccuRate Pilot – a major project for the Commonwealth Government – commenced in 2004/05. AccuRate is the next generation of NatHERS (Nationwide House Energy Rating Software).

The Pilot was designed to run in every state and territory, with the support of state governments and industry associations. Over 1,000 people from different sectors of the housing industry across the country registered to participate in AccuRate seminars or in the Pilot itself, demonstrating a high level of interest in the Pilot. Most of the seminars were held in June 2005, and AccuRate software training also commenced in June 2005.

## **BASIX**

Assessors, and indeed most segments of the residential building industry in NSW, required a large amount of support, training and communication during the year regarding further changes to the NSW Building Sustainability Index (BASIX) requirements and procedures. This has remained a sizeable resource investment for ABSA to ensure assessor practices were successfully transformed to meet the requirements of regulatory change. It is ABSA's firm opinion that Assessors approached this information uptake with due diligence and professionalism.

Through this year the NSW Department of Planning released a Deemed-To-Satisfy tool for thermal Performance assessment and regrettably 'paraded' it as a pseudo – Simulation tool. The premature release of this tool impacted significantly on the business' of ABSA Assessors and commanded much of ABSA resources to see that the tool was correctly presented and used by the public. This matter remains unresolved.

Despite departmental obstruction, ABSA has continued to engage with the NSW Department of Planning in its attempts to correct the functioning of the BASIX online tool.

## **Fee structure and Professional Indemnity Insurance**

A new, more equitable accreditation fee structure was developed and implemented late in 2005. This concept was to ensure that assessors pay according to the number of assessments they conduct. It incorporates a base fee and a volume component based on the number of assessments conducted annually.

The change represents better value for the large numbers of assessors who conduct less than 100 assessments per year. A sliding scale for the price per assessment ensures that assessors with a high turnover receive a benefit in recognition of the volume of their business.

In October 2005 ABSA commenced a low cost Professional Indemnity insurance scheme that offered Assessors with insurance specifically to cover their sustainability assessment services covered by ABSA Procedures and Quality Assurance Scheme. Fees for this insurance are determined according to the number of assessments conducted by the assessor (Certificate Numbers issued) and is sold through the ABSA website. Due to the highly specified role, the reduction in administration on behalf of the insurer, and the comprehensive nature of the ABSA Accreditation Scheme provided both highly effective and affordable insurance cover. To date over half of ABSA Assessors have elected to obtain their insurance through this method.

## Membership

ABSA is a membership-based organisation, with activities and direction determined by its members. ABSA members can take advantage of the training, support and resources provided by the Association.

Membership of the Association is open to any person who accepts the objects and rules of the Association and can demonstrate an interest in building sustainability through practical industry experience. ABSA annual membership fees are \$165 (inc. GST) or free to Accredited Assessors.

198 Assessors accepted membership of the Association during 2005-06. It is noted that additional effort is required to encourage assessors to accept membership of the Association, as it enables them to participate in the direction of the organisation. 49 individuals elected to become members of ABSA, who were not Assessors.

## Finance

The attached audited financial statements show a 'loss' from association activities in this financial year. I wish to allay concerns from these figures as they may present a misleading view of the operations of the organisation. During the year our financial statements were converted from 'cash' accounting to an approved and audited 'accrual' accounting system. Many of the expenses incurred in this financial year are related to projects that commenced and received their income in the previous financial year. Also, income that we have received in the completed financial year, for services that are to be completed in the following year are, under the new accrual system, not yet recorded as income or profit. Our previous bookkeeping did not correctly align income and expenditure presenting an unrealistically high figure for operating surplus. The audited accounts now view income against services rendered and correct the previous representation of operating surplus.

An additional important point is that the Auditor has placed negligible value on ABSA's assets such as office equipment, computers and, most importantly, intellectual property such as training and accreditation material. These assets have been a major investment for ABSA. They have enormous value to us, but from the perspective of the Auditor, they are considered as being of low market value.

These factors have created the 'loss' anomaly that is currently being presented to members.

ABSA has consistently strived to expand and improve the services delivered to assessors but must do so with limited resources and whilst maintaining sound, responsible financial management.

ABSA has significantly increased both its service provision to members, as well as developed sizable systems and structures for the delivery of this service provision. This has not only helped increase the standing of Assessors and their ability to practice with professional standing but will continue to be of benefit to all members in the coming years. It also provides a strong foundation for possible future membership of Assessors in other States, without further investment, that will help progress both financial return, as well as furthering the standing of ABSA and its members.

## Conclusion

During 2005-06, ABSA continued its national expansion plans, assisted the AGO and ABCB with projects associated with improving the performance of buildings across Australia. Issues impacting negatively on the Association were associated with the operation of the NSW BASIX tool and the deferred acceptance of 2<sup>nd</sup> generation software.

The end of 2006 and beyond, promises to see a new era for members of ABSA. Community understanding of climate change issues and the impact that residential housing has, are real factors which will enable ABSA to grow and achieve a higher level of significance within the Australian building industry. We live in exciting times!

A handwritten signature in black ink, appearing to read 'D. Howard', written in a cursive style.

*David Howard, President*

15 November 2006

# Key Results 2005-06



- ABSA had 424 accredited assessors at 30 June 2006, remaining significantly increased from 2004-05's level of 319 assessors, and now incorporating Western Australian Assessors.
- 155 applicants completed the accreditation examination, including 81 from WA.
- 69 formal training events were delivered by ABSA around Australia. In addition through the Accurate Pilot project the National Qualification was delivered in pilot form in 10 locations nationally.
- The Development of a National Accreditation Scheme
- Completion of a VETAB Accredited National Qualification, developed in association with the Australian Office, in October 2006
- The commencement of ABSA's PI Insurance Scheme in conjunction with a fee re-structure that saw significant savings for the majority of Assessors
- Enhancements to ABSA website and the Certificate Manager database.
- ABSA signed new contracts with the Australian Greenhouse Office for the following projects:
  - National AccuRate Five Star Compliance Cost Assessment
  - National Quality Assurance System Project
- ABSA representatives enhanced the association's industry and government relationships via greater communication and engagement.

# Governance



During 2005-06 the Board consisted of ten (10) directors, two of whom were appointed by the Board. The appointed directors are comprised of representatives from Nominating Organisations who nominate a representative to sit on the Board. Bernard Hockings had been a founding Director of ABSA but moved on to fill the vital role of Project Manager during the year. His efforts in bring the catalyst for the formation of ABSA and undying efforts in continuing to help ABSA grow into a mature organisation cannot be understated.

**Board members**, and their Nominating Organisations, were:

- Dick Clarke (Building Designers Association of NSW)
- Chris Kinsela (NSW Housing Industry Association)
- Peter Meredith (Master Builders Association NSW), until 25 May 2006 and then replaced by Michael Hall.
- Max Mosher (appointed by the Board)
- Felicity Stening (NSW Department of Energy, Utilities and Sustainability)
- Tone Wheeler (The Royal Australian Institute of Architects)
- Bill Burns (AIBS)
- David Howard (appointed by the Board)
- Anthony Nolan (member elected representative)
- Victor Yanchenko (member elected representative)

**The Executive** were:

Dick Clarke, ABSA President (until January 2006)

David Howard, ABSA President (after January 2006)

Max Mosher, ABSA Treasurer

Felicity Stening, ABSA Secretary

**The 2004-2005 Annual ABSA AGM** was held in the Sydney Building Information Centre Auditorium on 7 December 2005.

**Office space** was leased at Level 2, Sydney Building Information Centre, Surry Hills, NSW, and then moved on 22<sup>nd</sup> December 2005 to Level 11 418A Elizabeth St., Surry Hills, NSW.

**In terms of service provision for ABSA:**

- Bendigo Bank provided banking services.
- Surry Partners provided legal services.

# Financial Statements

## INTRODUCTORY STATEMENT:

*(Comment from David Howard, representing the Board)*

The attached audited financial statements show a significant 'loss' from association activities. As previously discussed these figures should be viewed in conjunction with financial statements from previous years and in the context of the change in accounting systems, as during the year our financial statements were transformed from a 'cash' based assessment to an approved and auditable 'accrual' based financial accounting system.

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**ASSOCIATION OF BUILDING SUSTAINABILITY  
ASSESSORS INCORPORATED.  
ABN 4376 881 448**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ASSOCIATION OF BUILDING SUSTAINABILITY  
ASSESSORS INCORPORATED.**

**Scope**

We have audited the financial report of Association of Building Sustainability Assessors Incorporated for the year ended 30 June 2006. The elected committee of the Association is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association.


Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion the financial report presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia of the financial position of Association of Building Sustainability Assessors Incorporated as at 30 June 2006, and the results of its operations and its cash flows for the year then ended.

**Bryan Rush & Company**  
Chartered Accountants

  
David R Conroy  
Principal

Date

154 ELIZABETH STREET  
SYDNEY NSW 2000

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the members of the committee:

1. The accompanying financial report presents a true and fair view of the financial position of the association as at June 30, 2006 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of this statement there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



.....  
*David Howard, President*

Dated: the 15<sup>th</sup> day of November, 2006

Place: Sydney

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**BALANCE SHEET  
AS AT 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6	46114
Trade and other receivables	7	44363
Other current assets	8	7974
<b>TOTAL CURRENT ASSETS</b>		<u>98451</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	9	<u>23028</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>23028</u>
<b>TOTAL ASSETS</b>		<u>121479</u>
<b>CURRENT LIABILITES</b>		
Trade and other payables	10	88892
Provisions	12	13084
Other	11	44550
<b>TOTAL CURRENT LIABILITES</b>		<u>146526</u>
<b>TOTAL LIABILITES</b>		<u>146526</u>
<b>NET ASSETS</b>		<u>(25047)</u>
<b>MEMBERS FUNDS</b>		
Accumulated funds		<u>(25047)</u>
<b>TOTAL MEMBERS FUNDS</b>		<u>(25047)</u>

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$</b>
Revenue	3	779206
Employee benefits expense		(347040)
Depreciation and amortisation expenses	4	(12712)
Other expenses		(655370)
		<hr/>
<b>Profit/Loss before income tax expense</b>	4	(235916)
Income tax expense	1	
		<hr/>
<b>Profit/Loss from operations</b>		(235916)
		<hr/> <hr/>

Association of Building Sustainability Assessors Incorporated

ABN: 94 376 881 448

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$</b>
Operating receipts		896882
Interest received		200
Payments to suppliers and employees		(1,056394)
<b>Net Cash provided by (used in) operating activities</b>	15	(159312)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of office equipment		(3336)
<b>Net Cash provided by (used in) investing activities</b>		(3336)
<u>Net (Decrease)/Increase in Cash Held</u>		(162648)
Cash at beginning of year		208762
<b>CASH AT END OF YEAR</b>	6	46114

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Accumulated Funds</b>
<b>Balance at 1 July 2005</b>	210869
Loss attributable to members	(235916)
<b>Balance at 30 June 2006</b>	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (25047)

## Association of Building Sustainability Assessors Incorporated

ABN: 94 376 881 448

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

#### NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Associations Incorporation Act (New South Wales).

The financial report covers the Association of Building Sustainability Assessors Incorporated as an individual entity. It is an association incorporated in New South Wales under the Associations Incorporation Act 1984.

The financial report of the Association of Building Sustainability Assessors Incorporated as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of preparation**

##### *First-time adoption of Australian Equivalents to International Financial Reporting Standards*

The association has prepared financial statements in accordance with the Australian equivalents to International Financial reporting Standards (AIFRS) from July 1 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first financial statements of the association to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 First-time Adoption to AIFRS to this report.

##### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial liabilities for which the fair value basis of accounting has been applied, as applicable.

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Accounting Policies**

**Income Tax**

The association has been advised by the Australian Taxation Office that it is exempt from income tax.

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flow that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciation amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Office equipment	33.3%

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance update.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Impairment of Assets**

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the assets fair value less costs to sell and value-in-use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee's benefits arising from annual leave have been measured at their nominal amount.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

**Revenue**

Revenue from the sale of goods is recognised upon the delivery of the goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

**Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Critical Accounting Estimates and Judgments**

The committee members evaluate estimates and judgments incorporated into the financial report based historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

*Key Estimates – Impairment*

The association assess impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 2 – FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALANTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

On transition to AIFRS, there are no adjustments to equity or profit or loss between previous Australian GAAP and AIFRS.

**NOTE 3 – REVENUE**

**2006  
\$**

**Operating Activities:**

Accreditation	246748
Training	226715
Projects	289071
General	16472
Interest received	200
Total Revenue	<u>779206</u>

**NOTE 4 – PROFIT**

Profit from ordinary activities before income tax has  
Been determined after:

**Expenses**

**Depreciation of Non-Current Assets:**

Office equipment	<u>12712</u>
Total Depreciation	<u>12712</u>

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**2006  
\$**

**NOTE 5 – AUDITORS REMUNERATION**

Remuneration of the Auditor of the Association for:

-Auditing the Financial Report 4500

**NOTE 6 – CASH AND CASH EQUIVALENTS**

Cash at bank 46114

**NOTE 7 – TRADE AND OTHER RECEIVABLES**

Trade debtors 44363

**NOTE 8 – OTHER CURRENT ASSETS**

**Current**

Prepayments 7974

**NOTE 9 – PROPERTY, PLANT AND EQUIPMENT**

Office equipment – at cost 40877

Less: accumulated depreciation 17849

Total property, plant and equipment 23028

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Office Equipment</b> \$	<b>Total</b> \$
Balance at the beginning of year	32404	32404
Additions	3336	3336
Disposals	-	-
Depreciation expense	(12712)	(12712)
Carrying amount at the end of year	23028	<u>23028</u>

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

<b>NOTE 10 – TRADE AND OTHER PAYABLES</b>	<b>2006</b>
	<b>\$</b>
<b>Current</b>	
Trade creditors and accrued expenses	88892
	<hr/>
<b>NOTE 11 – OTHER LIABILITES</b>	
Income in advance: Training	32520
Unexpended funds: Projects	12030
Total Other Liabilities	44550
	<hr/>
<b>NOTE 12 – PROVISIONS</b>	
<b>Current</b>	
Employee benefits	13084
	<b>Employee Benefits</b>
	<b>\$</b>
Opening balance at 1 July 2005	NIL
Additional Provisions	13084
	<hr/>
Balance at 30 June 2006	13084
	<hr/>

**NOTE 13 – SEGMENT REPORTING**

The Association of Building Sustainability Assessors aim to develop the capacity of building professionals to understand, analyse and improve the sustainability of our built environment.

**Association of Building Sustainability Assessors Incorporated**

**ABN: 94 376 881 448**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 14 – ASSOCIATION DETAILS**

Level 11 418A Elizabeth Street

Surry Hills NSW 2010

Australia

**NOTE 15 – RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM  
ORDINARY ACTIVITIES AFTER INCOME TAX**

	<b>2006 \$</b>
Loss	(235916)
<b>Non-cash flows in profit</b>	
Depreciation	12712
<b>Changes in Assets and Liabilities</b>	
(Increase)/decrease in trade debtors	(30468)
(Increase)/decrease in prepayments	(7974)
Increase/ (decrease) in trade and other payables	44700
Increase/ (decrease) in provisions	13084
Increase/ (decrease) in other liabilities	44550
<b>CASH FLOW FROM OPERATIONS</b>	<b>(159312)</b>