

2003 – 2004 ANNUAL REPORT

Association of Building Sustainability Assessors Incorporated

The period addressed in this report is from the date of incorporation of ABSA, October 2003, until 30 June 2004.

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1. 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.

ABSA was given the ongoing responsibility for providing the services that had been delivered by the HMB including the administration, support and accreditation of house energy rating assessors.

Aims

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

- managing accreditation and quality assurance schemes for building sustainability assessment;
- 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;
- providing advice and information to councils, building professionals and consumers.

ABSA is currently responsible for the accreditation of over 300 Residential Building Thermal Performance Assessors in New South Wales, involving:

- administration of assessors procedures, including Code of Professional Practice and assessment protocols;
- examination, applications for accreditation and renewal of accreditation;
- auditing of assessors;
- technical assistance to assessors
- administration of assessment by expert opinion;
- 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 BASIX and the Energy Smart Homes policies.

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 hosted 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.

Governance

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

Organisations represented on the ABSA Board are:

- NSW Department of Energy Utilities and Sustainability
- Local Government Association of NSW
- Royal Australian Institute of Architects, NSW Chapter
- Building Designers Association of NSW
- Housing Industry Association
- Master Builders Association NSW

This governance structure ensures that ABSA:

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

Operations

ABSA management and support services are provided by our full-time staff, based in our offices at the Sydney Building Information Centre. Some training, resources and policy development is undertaken by contracted consultants.

ABSA members are encouraged to play an active role in the Association's operations, through working groups responsible for:

- Training and Professional Development
- Support and Advisory Services
- Accreditation
- Administration

2. ABSA President's Report

Bernard Hockings and Dick Clarke

Bernard Hockings served as ABSA President from its incorporation in October 2003, until January 2005. Dick Clarke was then appointed by the ABSA Board as President.

Foundation

The period from October 2003 to June 2004 was been dominated by the requirements of establishing ABSA.

For five years prior to ABSA establishment, the accreditation and support of assessors had been the responsibility of the House Energy Rating Management Body (HMB), operated by Unisearch at the University of NSW, under contract to the Sustainable Energy Development Authority (SEDA). It was directed by a three person Steering committee comprised of an of accredited assessors' representatives, and representatives of SEDA and Unisearch. The HMB established the role and responsibilities of House Energy Rating Assessors, with approximately 270 Accredited Assessors providing ratings as were required by Local Government Energy Smart Homes Policy.

Towards the end of 2003 it became apparent that some significant changes to the management of assessor accreditation would be required: SEDA was to be merged with the Department of Energy Utilities and Sustainability and new regulations would require assessors to provide new services and learn new skills. There was also a recognition that the role of assessors had grown into a permanent, established profession playing an integral role in the development process.

Discussions between SEDA, HMB, assessors and industry organisations identified that it would be possible for assessors to manage their own self-funding organisation responsible for quality control, training and support.

Several organisational models were considered prior to establishing ABSA as a not-for-profit Incorporated Association, registered in NSW. The structure of the ABSA Board was a significant decision. Rather than having all Directors elected directly by the members, industry and government bodies were invited to nominate representatives to be ABSA Directors. Assessors were represented by two elected board members. This Board structure ensured that ABSA maintained close connections to important industry stakeholders. It also maintained the probity and transparency considered necessary for an organisation responsible for accrediting industry professionals. Most assessors have other professions and belong to other industry organisations as well as ABSA. Our Board structure reflected that integration of assessors' operation with other professions.

As a not-for-profit incorporated association, control of the organisation would rest with the members and any funds generated would have to be applied to services for the members.

The adoption of the association's name represented a recognition that the role of assessors would expand beyond House Energy Rating into broader aspects of sustainability.

An initial Business Plan was developed which identified a feasible, though tight, budget for ABSA operations. Establishing ABSA as a self-funding organisation was a significant challenge. The revenue from assessor accreditation was approximately \$120,000 per annum, which was just enough to maintain offices and a single full-time employee. In addition, ABSA had to meet establishment costs and develop new, improved operating systems.

Establishment and transition from HMB

In December 2003, ABSA negotiated the terms of transition of services from HMB. HMB continued to provide support and accreditation services until March 2004, when the ongoing responsibilities were handed over to ABSA. Unisearch's cooperation and good will was greatly appreciated.

ABSA established offices at the Sydney Building information Centre and engaged Matt Fisher who had been the Program Manager for HMB.

In addition to establishing ABSA as an efficient, self-funding business, we were also confronted with the significant challenge of improving existing services and preparing assessors for the introduction of the new BASIX regulations. This was done within an extremely short timeframe. Our thanks to all those involved, and to assessors for the positive approach they showed throughout this period.

BASIX

The implementation of BASIX presented a significant challenge to ABSA and assessors – it was initially unclear what impact it would have on the provision of assessor services. ABSA worked to ensure that assessors would continue to play a valued role in the industry. The experience of BASIX being implemented in Sydney showed that there was no noticeable decline in the demand for Assessor services. In general, there were increased opportunities for assessors.

Service

A key objective for ABSA was to consolidate and improve exiting 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 30 phone and email enquiries from assessors each day. Less than 20% of phone enquiries went to voice mail, and only when all lines were engaged. When the office was not attended, calls were diverted to staff mobile numbers. In most instances, all enquiries were responded to within 24 hours.

The web-based assessor forum was established to enable ABSA assessors and staff to improve the exchange of information.

ABSA recognised that there was a disparity in services offered to metropolitan and regional assessors and so initiated regional training events for Assessors.

The Advisory Group was established to enable experienced assessors to assist others with complex assessments.

The accreditation and assessment procedures that had evolved in the previous five years required significant updating and improvement. New procedures were drafted consolidating existing assessment practices and enabling the incorporation of new assessment schemes.

Significant resources were applied to developing more efficient administrative facilities. Our web-based assessor database significantly improved assessor accreditation processes.

ABSA set training and skills development as a key objective. ABSA developed eight-hour "BASIX Solutions" seminars that were attended by over 300 people. Approximately 95% of our assessors attended the professional practice updates.

ABSA established itself as the leading industry body for provision of training on sustainable building. In addition to providing training to our own members, ABSA developed training programs that were delivered to other organisations throughout Australia.

ABSA won contracts to deliver specialist services such as trials of AccuRate, and development of training programs for the Australian Greenhouse Office and various State Governments.

Vision

The most significant achievement throughout ABSA's establishment has been creating an achievable vision for the future role of assessors.

There was an obvious and growing need for a national approach to sustainability. The Board identified national roles that ABSA could fulfil. Discussions with various state and federal

government bodies, as well as state-based professional associations, indicated a ready willingness to work with ABSA in providing a more nationally focussed service.

ABSA was given responsibility for the development of a national qualification for Building Thermal Performance Assessors, in collaboration with national stakeholders. This will enable a greater ability for assessors to practice across state borders, and assists in a more general move toward national coordination of programs promoting sustainability.

Achievements

This ABSA Board structure has proven to be very successful, enabling ABSA to benefit from input from skilled, experienced Directors with extensive knowledge and contacts within the industry. It enabled ABSA to compliment the role of other organisations, rather than competing with them.

The membership-based organisational structure has been welcomed by Assessors who recognise that it gives them an opportunity to develop and manage the future of assessor services.

The establishment of offices at the Sydney Building Information Centre gave ABSA a high profile, accessible base with excellent facilities for our administration and training operations.

Assessors numbers have increased, from 270 at the time of transition from HMB, to 315 in June 2004.

ABSA has established a viable, successful business. Increased assessor numbers and revenue from training events has enabled ABSA to expand its staffing and services and be confident in its future.

ABSA initiated discussions in other states and territories regarding establishing national, uniform requirements for assessor training and qualification, developing the potential for national accreditation of assessors.

Our first nine months of operation focused on establishing and consolidating ABSA. We invested our time and resources in developing our capability to provide long term improvements to our core activities of assessor support and quality assurance. Many projects were commenced in this period that will deliver benefits in subsequent months and years, including:

- development of facilities to significantly improve assessor auditing;
- redrafting assessment procedures and developing new training and examination for assessors, which will be fully implemented in mid 2005;
- developing a framework for a sophisticated, integrated accounting, event management, accreditation and training management database which will be fully utilised this year;
- establishing assessor-based working groups to enable assessors to be more actively engaged in the organisation's activities;
- efficient management and new training and consulting activities enabled ABSA to increase revenue to enable the employment of additional staff. These appointments are now being made.

We look forward to these projects coming to fruition this year.

The significant achievement for ABSA, in the nine months since its establishment, is that it established a stable, dynamic organisation that has great capacity to provide services to assessors and to build their role as a valued service within the industry.

Dick Clarke, President
7 April 2005

Bernard Hockings, President 2004
7 April 2005

3. Objectives and Results 2003-2004

Key Results:

- Successful transition from House Energy Rating Management Body to independent not-for-profit association, supported by peak industry bodies
- Office space secured in the Sydney Building Information Centre
- Engagement of a Program Manager to run ABSA
- 315 Accredited Assessors
- 28 Applications for Accreditation
- Role of assessors secured
- Development of ABSA website
- Certificate Manager database developed for assessment documenting and auditing
- Contracts for provision of ABSA consulting services won
- Advisory Group established
- Training programs developed and delivered
- Industry and Government relationships.

Incorporation

Under the *Associations Incorporation Act 1984*, a Constitution was developed outlining the objects and rules of the Association and a Board of Management was established. The Board is responsible for governance of the organisation, with decisions and operations managed by a Program Manager, who reports to the Board. Matt Fisher, previously managing the House Energy Rating Management Body, was engaged by ABSA for this role.

During 2003-04 the Board consisted of eight appointed 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. There were three unfilled positions, one from a Nominating Organisation, and two elected directors (who can only be appointed at an Annual General Meeting).

Board members, and their Nominating Organisations, were:

Dick Clarke (Building Designers Association of NSW)
Kevin Douglass (Local Government Association (LGA) of NSW)
Bernie Hockings (appointed by the Board)
Chris Kinsela (NSW Housing Industry Association)
Peter Meredith (Master Builders Association NSW)
Max Mosher (appointed by the Board)
Felicity Stening (NSW Sustainable Energy Development Authority)
Tone Wheeler (The Royal Australian Institute of Architects)

The Executive included:

Bernie Hockings, ABSA President
Max Mosher, ABSA Treasurer
Felicity Stening, ABSA Secretary

Emma Synnott was initially elected as the ABSA Public Officer, but has relinquished this position to Felicity Stening.

Office space was leased at Level 2, Sydney Building Information Centre, Surry Hills, NSW.

Insurance was negotiated with the Master Builders Association for:

Professional Indemnity Insurance for \$1,000,000
Directors and Officers Insurance for \$1,000,000

ABSA's Mission was developed: To foster the professional development of building sustainability assessors.

Protocols were developed for financial, governance, administration, legal and operations. These have been used, but are yet to be formally adopted by the Board.

A Planning Day was held on 21 November 2003 to discuss the transition, strategic and business planning, communications strategy.

In terms of service provision for ABSA:

- Bendigo Bank was selected as the preferred bank.
- Dibbs Barker Gosling lawyers were initially used through the transition, and since then Surry Partners have been engaged for legal issues.
- Amanda Keogh developed a Communications Strategy for ABSA – several strategies were successfully implemented including the three key strategies: logo, website and collateral development.

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:

- design or construction
- regulation or assessment
- production or supply of goods or services
- development or distribution of assessment tools
- development or provision of related support and training services.

ABSA annual membership fees are \$165 (inc. GST) or free to Accredited Assessors.

86 Assessors accepted membership of the Association.

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 control of the organisation.

Accreditation

The number of Accredited Assessors increased from 270 to 315.

28 applicants completed the accreditation examination.

The Code of Practice and Accredited Assessment Procedures were comprehensively reviewed and re-drafted.

A BASIX Accredited Assessor Scheme was investigated by the Board, however it was not pursued. Instead, ABSA promoted assessors that offered BASIX assessment services as an unaccredited scheme without requirements for quality control, qualification and auditing.

Certificate Manager

The Certificate Manager application was developed to enable:

- conduct of Assessments under different regulatory frameworks: BASIX and Energy Smart Homes Policy
- consistent documentation of assessments
- issuing of Certificate Numbers only to Accredited Assessors
- collection of assessment data, assessment tracking and automated auditing.

Auditing

The Certificate Manager enable automated auditing of all assessments conducted by Accredited Assessors, through analysis and correlation of building specifications, climate data and assessed performance. It identified projects that warranted closer scrutiny.

The demand on ABSA resources devoted to establishing ABSA in this initial period, meant that inadequate resources were applied to detailed auditing of assessments and checking of documentation submitted to Council. This was identified as a key objective for coming periods.

Website development

The new ABSA web site was developed (www.absa.net.au)

Features include:

- information about ABSA;
- a listing of assessors and regional search facility for consumers to find assessors;
- a search facility for checking the validity of certified assessments;
- a log-in section with information for assessors, forum and management of assessor details.

The ABSA web-site is only an initial stage of its development, and will be significantly expanded in the coming period.

Database

ABSA invested significant resources in developing a sophisticated management tool that integrates:

- assessor contact and accreditation details
- event management
- accounts management
- assessment tracking and auditing

This facility enables significant savings in personnel time and costs and can accommodate significant growth in the Associations activities.

Expert Panel

Five projects were submitted to the ABSA Expert Panel for assessment.

The Expert panel conducted a significant review of the scope of assessments requiring Expert Panel consideration and developed new procedures for such applications.

Training Programs

Training Working Group was established February 2003, to identify training needs and manage the development and delivery of training programs.

A series of training seminars on BASIX were developed for Accredited Assessors and industry professionals.

Mandatory Professional Practice seminars for Accredited Assessors were held in May and June to ensure all Assessors had adequate knowledge of new regulations, procedures and documentation processes. 7 seminars were held in NSW in Sydney, Penrith, Parramatta, Tweed Heads, Coffs Harbour, Newcastle and Nowra, with over 95% of Assessors attending.

Eight-hour BASIX Solutions Workshops were delivered to assist Assessors to provide BASIX assessment in addition to NatHERS assessment.

Four-hour Introduction to BASIX seminars were presented by ABSA for its members. This program was also presented on behalf of other organisations including Councils, HIA, MBA and BDA.

Consulting services

ABSA won a \$38,000 contract to develop a National Course Framework for 2nd Generation NatHERS tools for the Australian Greenhouse Office.

4. Financial Statements

ASSOCIATION OF BUILDING SUSTAINABILITY ASSESSORS (Not for Profit Association) A.B.N 94 376 881 448

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30TH JUNE 2004

	\$
Revenue from ordinary activities:	
Accreditation Application/Renewal	69,322
BASIX Solutions Workshop/Seminar	23,958
Expert Panel Assessment	1,430
HMB Services Contract	28,588
Other	1,956
Seda Grant to ABSA	16,800
Total Revenue	142,054
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Expenses:	
Administrative Expenses	(34,815)
Consultants	(32,938)
Employee expenses	(6,365)
Expert Panel	(897)
Training	(9,572)
Total Expenses	(84,587)
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Net profit/ (loss) from ordinary activities before income tax	57,467
Income tax attributable to ordinary activities.	-
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Net profit/(loss) from ordinary activities after income tax	57,467
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Total changes in equity other than those resulting from transactions with owners as owners	57,467
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**ASSOCIATION OF BUILDING SUSTAINABILITY ASSESSORS
(Not for Profit Association) A.B.N 94 376 881 448**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30TH JUNE 2004**

	\$
CURRENT ASSETS	
Cash assets	52,438
Receivables	12,604
Other	-
TOTAL CURRENT ASSETS	<u>65,042</u>
NON-CURRENT ASSETS	
Furniture & equipment	10,146
TOTAL NON-CURRENT ASSETS	<u>10,146</u>
TOTAL ASSETS	<u>75,188</u>
CURRENT LIABILITIES	
Payables	17,721
TOTAL CURRENT LIABILITIES	<u>17,721</u>
NON-CURRENT LIABILITIES	-
TOTAL NON-CURRENT LIABILITIES	<u>-</u>
TOTAL LIABILITIES	<u>17,721</u>
NET SURPLUS	<u>57,467</u>
EQUITY	
Accumulated surplus	-
TOTAL EQUITY	<u>57,467</u>