

2004 – 05 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.

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 2005, ABSA was responsible for accrediting 319 Residential Building Thermal Performance Assessors in New South Wales, 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 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.



ABSA management and support services are provided by our full-time staff, based in our offices at the Sydney Building Information Centre. 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.

President: Dick Clarke

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.

He was a licensed builder until 2004, and still holds a Qualified Supervisor's Certificate with the NSW Office of Fair Trading.

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 and as a management consultant involved him in the affairs of professionals in Local Government.

Kevin Douglass

Local Government Association of NSW (LGA) representative



Kevin Douglass has worked in the role of Development Officer – Building at Camden Council for over ten years. His areas of speciality include fire safety, vegetation management, development control, building compliance and technical advice. He is also involved in special projects involving sustainability in relation to new developments and Camden Council's assets. Kevin retired from the ABSA Board per 08 Feb 05.

Bernard Hockings

Board appointee



Bernard Hockings has over 25 years of experience as a builder, environmental consultant and training professional. He has been a key player in the development of the sustainable energy industry, frequently providing advice on the challenges facing the industry and the strategies required to overcome the barriers. He has presented hundred 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.

David Howard

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 was 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 regularly speaks to communities and special interest groups on greenhouse gas reduction strategies and sustainable housing.

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



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.

Treasurer: Max Mosher

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 several energy advisory and referral services on behalf of the NSW Government.

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

Anthony Nolan

Board appointee



Anthony Nolan has a senior associate at Kennedy Associates Architects.

Anthony is an acknowledged industry leader in the integration of environmental sustainability and architecture, is 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.

Secretary: Felicity Stening

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.

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 RAIA National Environment Committee, has been on the faculty of three universities and is a frequent speaker at architectural conferences and seminars.

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



Dick Clarke

Transition to national organisation

The year 2004-05 was focused on preparing ABSA for its new role as national accreditation body for Building Thermal Performance Assessors.

A clear and growing need for a national approach to sustainability was identified in 2003-04. ABSA received strong support for developing a national qualification for Building Thermal Performance Assessors from Commonwealth and State Governments, and state-based professional associations.

Discussions with State Authorities particularly highlighted the lack of accreditation systems and quality assurance mechanisms in many states in relation to the Thermal Performance requirements of their Building Code of Australia (BCA) implementation.

Strong benefits from a national approach were identified for existing NSW Assessors, by removing the boundaries to practising interstate and giving ABSA the economies of scale to allow increased staffing and better service delivery.

ABSA worked throughout the year to establish an appropriate structure for a national body, develop protocols and procedures, and make transitional arrangements for existing assessor networks, with a view to taking on assessors from other states in early 2006.

This process also involved forging alliances with new stakeholders in the national arena, including the Green Building Council of Australia and the Alternative Technology Association, who are also strongly involved in environmental assessments of buildings and offer valuable opportunities for information sharing and other support where appropriate in ABSA's transition to a national organisation.

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 800 phone and email enquiries from assessors each month – approximately 9600 in total throughout the year and a significant 25% increase on the enquiry levels in 2003-04. When the office was not attended, calls were diverted to staff mobile numbers. In most instances, all enquiries were responded to either on the spot or within 24 hours.

ABSA's online and database systems received a major upgrade during the year, including:

- 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.
- Work began on accommodating online payments for fees, professional indemnity insurance and training.

The ABSA website was well utilised, with over 5,780 page views recorded during 2004-05. The web-based assessor forum continued to enable ABSA assessors and staff to improve the exchange of information.

An Advisory Group continued to provide a mentoring role to assessors. Experienced assessors volunteered to provide free advice to new assessors, to enhance their skills and enable them to provide high quality service to householders.

A category of 'BASIX Assessment service' was added to the ABSA website to enable members of the public to find assessors with the appropriate skills to assist in preparing BASIX Certificates. Assessors could self nominate as being able to provide this service.

ABSA sought proposals from insurers to provide a special offer for professional indemnity insurance for assessors to make it easy for them to secure the appropriate cover at an attractive rate.

Professional standards and procedures

A stronger focus on auditing assessors was adopted throughout the year, with more significant rigour and resources being applied to the auditing process. Prior to ABSA management it was calculated that less than 25% of Certificates were sent in by assessors when requested. ABSA worked throughout 2004-05 to develop a system whereby assessors will be audited annually, and where all data used to produce Certificates can be checked for validity at any time currently or into the future. As a result, the number of audits conducted in 2004-05 increased to 259 from 50 audits in 2003-04.

An Audit Protocol was developed, outlining how audits are to be conducted, how often, the triggers involved, and the formal procedures and reporting. This policy was also designed to limit potential liability and provide transparency on ABSA's practices in this area.

ABSA also put considerable resources into updating and extending all assessor procedure documents throughout the year, including procedures for consistent and accurate rating of dwellings, and documentation and certification requirements. Three revisions were released during the year in response to the document legacy inherited from the House Energy Rating Management Body (HMB) and ongoing changes to regulatory requirements.

The ABSA Code of Practice that assessors must abide by was amended to include extended 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 to meet the requirements of BASIX 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

ABSA completed its contract with the AGO for the development of a National Training Framework package for Thermal Performance Assessor training and examination. An informal meeting of representatives of the various state authorities was held on 15 September 2004.

In December 2004, ABSA delivered a three hour training session on Advanced Glazing products in conjunction with the Australasian Windows Association. Sessions were held in Sydney, Newcastle and Nowra.

Mandatory Professional Practice Briefings were held in June 2004 and June 2005, related to the launch of BASIX 1 and BASIX 2. Sessions were provided in five locations including Sydney metropolitan, Penrith, Nowra, Coffs Harbour and Ballina. Attendance was compulsory for all assessors, and over 85% of assessors attended. Assessors that could not attend were required to acknowledge that they had read extensive briefing notes provided by ABSA.

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.

Assessors responded with much enthusiasm to this opportunity to have a real involvement in ABSA's forward planning.

ABSA provided a significant amount of training in BASIX throughout the year, including:

- 88 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 36 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.
- 12 sessions of an eight-hour *BASIX Solutions* workshop, offering a deeper understanding of BASIX and how to comply with its requirements. Over 70% of assessors elected to attend this workshop.

A Sustainable Building Seminar series covering eight modules held in conjunction with the Sydney Building Information Centre began in April 2005 and drew an audience of 176 up to 30 June 2005.

ABSA was contracted by the AGO to deliver the Building Industry Training Initiative program. The contract called for delivery of 4-5 specialist training modules on various aspects of sustainable building practice. The Institute of Sustainable Futures developed the course content throughout the year, with rollout beginning from early 2006.

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.

BASIX

Assessors required a large amount of support, training and communication during the year regarding the NSW Building Sustainability Index (BASIX) requirements and procedures. This has remained a sizeable resource investment for ABSA during the year 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.

ABSA also continued to constructively engage with the (former) NSW Department of Planning, Infrastructure and Natural Resources (now the NSW Department of Planning) to relay feedback from assessors about the BASIX online tool.

Fee structure

A new, more equitable accreditation fee structure was developed 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.

The new fee structure was approved by the Board during the year, for implementation from October 2005.

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.

146 Assessors accepted membership of the Association during 2004-05. 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.

Conclusion

During 2004-05, ABSA has comprehensively planned for its future as a dynamic national accreditation organisation in order to create exciting new opportunities for assessors and respond to a greater Australia-wide push towards building sustainability. This work has ensured that ABSA is now strongly positioned to capitalise on these opportunities and further enhance its services to assessors in the coming year.



Dick Clarke, President

16 November 2005

Key Results 2004-05



- ABSA had 319 accredited assessors at 30 June 2005, remaining stable from 2003-04's level of 315 assessors.
- 80 applicants completed the accreditation examination.
- 121 training events were delivered by ABSA around Australia.
- Enhanced accreditation, examination and auditing procedures were developed.
- Enhancements to ABSA website and the Certificate Manager database were implemented.
- ABSA signed new contracts with the Australian Greenhouse Office to deliver:
 - The Nationwide House Energy Rating Scheme (NatHERS) website.
 - Building Industry Training in Sustainability program (to be developed by the Institute of Sustainable Futures).
 - Projects related to AccuRate – the second generation NatHERS software tool – including a National Pilot Program and a study to determine least cost compliance with a 5-star building thermal performance rating in various climate zones around Australia.
- ABSA representatives enhanced the association's industry and government relationships via greater communication and engagement.

Governance



During 2004-05 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 was one unfilled position from a Nominating Organisation. Kevin Douglass (Local Government Association of NSW) retired from the Board and was replaced by Bill Burns (Australian Institute of Building Surveyors).

Board members, and their Nominating Organisations, were:

- Dick Clarke (Building Designers Association of NSW)
- Kevin Douglass (Local Government Association (LGA) of NSW) – retired per 08 Feb 05
- 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 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 (appointed by the Board)

The Executive were:

Dick Clarke, ABSA President

Max Mosher, ABSA Treasurer

Felicity Stening, ABSA Secretary

The Inaugural ABSA AGM was held in the Sydney Building Information Centre Auditorium on Wednesday 27 April 2005.

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

An **ABSA Business Manager** was appointed in April 2005.

In terms of service provision for ABSA:

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

Financial Statements

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2005

Classification Of Items By Nature	Note	2005 \$	2004 \$
Total Revenue From Ordinary Activities	1	502,272	127,504
Employees		(73,972)	(8,536)
Training & Presenters		(43,074)	(32,950)
Projects & Consultants		(132,874)	(9,490)
Depreciation Expenses		(4,357)	(780)
Bank Charges		(4,027)	(816)
Rent, Phone and Office Expenses		(18,332)	(3,047)
Other Expenses From Ordinary Activities		(61,167)	(25,485)
Profit From Ordinary Activities before Income Tax Expense		164,469	46,400
Income Tax Expense on Ordinary Activities	2	0	0
Net Profit From Ordinary Activities		164,469	46,400
Retained Profits at the Beginning of the Financial Year		46,400	0
Retained Profits at the End of the Financial Year		210,869	46,400

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE, 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash		208,762	52,438
Receivables		13,859	7,858
TOTAL CURRENT ASSETS		<u>222,657</u>	<u>60,296</u>
NON-CURRENT ASSETS			
Equipment	3	32,404	8,444
TOTAL NON-CURRENT ASSETS		<u>32,404</u>	<u>8,444</u>
TOTAL ASSETS		<u>255,061</u>	<u>68,740</u>
CURRENT LIABILITIES			
Accounts Payable	4	32,130	17,156
GST on Sales and Purchases		5,401	3,013
PAYG Withholdings		4,757	2,171
Fringe Benefit Tax	5	1,904	0
TOTAL CURRENT LIABILITIES		<u>44,192</u>	<u>22,340</u>
NON-CURRENT LIABILITIES			
Borrowings		0	0
TOTAL NON-CURRENT LIABILITIES		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>44,192</u>	<u>22,340</u>
NET ASSETS		<u>210,869</u>	<u>46,400</u>
RESERVES			
Retained Earnings		210,869	46,400
		<u>210,869</u>	<u>46,400</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 2005**

Preparation of Financial Statements

As a not-for-profit organisation there is no requirement by government or the ABSA Constitution to have financial statements audited and accordingly, the Financial Statements have been prepared by the Business Manager.

The figures for 2004 have been recalculated and presented in a manner consistent and comparable with 2005 and therefore vary from what was submitted in last year's Annual Report.

1. Operating Revenue

	2005 \$	2004 \$
Accreditation application / renewal	155,409	62,100
Expert Panel Assessment	4,475	1,300
Training	51,580	22,843
Projects	290,808	0
Grants	0	41,261
Total Revenue From Ordinary Activities	<u>502,272</u>	<u>127,504</u>

2. Income Tax

Under present taxation legislation, the Association is exempt from Income Tax. Accordingly no provision is necessary.

3. Non-Current Assets and Depreciation

Equipment is depreciated on the straight line method at rates based on the economic life of the assets: 33.3% for computer equipment.

	2005 \$	2004 \$
At Cost	37,541	9,224
Less: Accumulated Depreciation	(5,137)	(780)
	<u>32,404</u>	<u>8,444</u>

4. Current Liabilities – Accounts Payable

	2005 \$	2004 \$
Workers Compensation	2,052	17,156
Consultant Fees	30,078	0
	<u>32,130</u>	<u>17,156</u>

5. Current Liabilities – Fringe Benefits

	2005 \$	2004 \$
Fringe Benefit Tax	3,661	0
Fringe Benefit Tax – 48% Rebate	(1,757)	0
	<u>1,904</u>	<u>0</u>

6. Related Party Transactions

The names of Directors holding office during the financial year and the fees received in relation to providing professional services (consultancy and training) on behalf of the Association, other than those included in performing their duties as a Board member for ABSA, were as follows: Dick Clarke, \$1,636; Bernard Hockings, \$42,064; David Howard, \$5,950; Max Mosher, \$6,500.