Standards Australia is Australia’s peak Standards body, recognised through a Memorandum of Understanding with the Commonwealth Government. It is an independent, non-government, not-for-profit organisation.

In consultation with government, business, industry, community, academia and consumers, Standards Australia develops internationally aligned Australian Standards and related publications to help ensure the safety, reliability and performance of a range of products, services and systems. It also coordinates standardisation activities and facilitates the accreditation of other Standards Development Organisations through the Accreditation Board for Standards Development Organisations (ABSDO).

Standards Australia works with over 1,500 Committees involving more than 8,000 Committee Members to develop and maintain some 7,000 Australian Standards across a range of sectors including health, manufacturing, communications and IT, agriculture, public safety, transport, building and construction, energy, education and consumer safety.

Standards Australia is the nation’s official representative at the Pacific Area Standards Congress (PASC), International Organization of Standardization (ISO) and International Electrotechnical Commission (IEC). It also supports the Government at the Asia-Pacific Economic Cooperation (APEC).

Since 1991, Standards Australia has supported, recognised and promoted Australian design and innovation through the Australian International Design Awards and other design promotion initiatives.

The Australian International Design Awards is recognised as Australia’s promotional member for the International Council of Societies of Industrial Design (ICSID).

Standards Australia is a public company limited by guarantee. More than 70 of Australia’s leading industry, government and consumer organisations form the Members of the Standards Australia Council. The Council has the responsibility to elect the Board of Directors, appoint new Members to the organisation and elect the Board of ABSDO.

The Standards Australia Council is responsible for the general oversight of standardisation in Australia and the governance of Standards Australia.

For more information about Standards Australia’s roles, activities, structure and governance, please visit www.standards.org.au

Standards are published documents setting out specifications and procedures designed to ensure products, services and systems are safe, reliable and consistently perform the way they were intended to. They establish a common language which defines quality and safety criteria.
Never before in the history of Standards Australia have we faced a more challenging and exciting time.

Over the past three years we have laid the groundwork for the new Standards Australia. We are now comfortably settled in our new offices in the Exchange Centre in Sydney’s CBD with state-of-the-art technology and infrastructure to support our New Business Model which will deliver improved processes and greater efficiencies to our staff and stakeholders.

Central to this new way of operating is the concept that the outcomes of any Standards project must outweigh the cost of development and implementation and be of benefit to the community at large. The transformation process for this New Business Model has been finalised and is now being rapidly implemented.

Relationship Managers have been appointed to manage our sector engagement and new approaches to the process of Standards development are being trialed and tested. We have rebuilt our capacity to engage with stakeholders and established and implemented new systems and technologies to meet the needs of Committee Members, staff and others. Our stakeholders now have greater choice and we are better equipped than ever to identify and deliver the best solutions for Australians in the long term.

Over the past year, our engagement with the wider Standards community has also taken some major steps forward with the appointment of Standards Australia’s Deputy Chairman, Dr Alan Morrison, as the President elect of the International Organization of Standardization (ISO).

Our profile as a leading design assessment body also received a boost with the Executive Director of the Australian International Design Awards, Mr Brandon Gien, elected to the Board of the International Council of Societies of Industrial Design (ICSD), the world’s peak industrial design organisation.

Both these appointments position Standards Australia at the very centre of the world of Standards development and design and innovation promotion, both key to the national innovation agenda.

In a sign of the strengthening bonds with our regional partners, in April, Standards Australia, the Standardization Administration of China (SAC) and Standards New Zealand launched an information portal to assist business, government and other groups find information about the standardisation processes and Standards in these three countries.

This information sharing portal and the wider Joint Cooperating Agreement signed between Standards Australia and SAC in March 2007 will deliver real benefits for Australian businesses expanding into the world’s biggest trading market.

Closer to home, our involvement with some of the nation’s most pressing issues including emissions trading, a health and energy efficiency demonstrate the continuing relevance of Standards Australia’s work.

The transformation of the Australian Design Awards into the Australian International Design Awards this year was another significant step forward for Standards Australia and a major incentive for Australia’s world class designers to showcase their talent internationally.

Our Members and Councillors remain at the heart of Standards Australia. They continue to play an important and relevant role in the Standards development process and are relied upon to help deliver and provide guidance on the high quality solutions we are renowned for.

I would like to take this opportunity to thank my fellow Board Directors, Councillors and their representatives, dedicated Committee Members and our committed staff for their tireless work and efforts.

I look forward to this time next year, when we will be nearing the end of our first year operating under the New Business Model. I am confident I will be reporting on many positive outcomes, including improved stakeholder relations and the development of significant and relevant Standards through a range of innovative pathways.

Standards Australia remains committed to its fundamental mission - to enhance the nation’s economic efficiency and international competitiveness, and to ensure the safety of our community and environmental sustainability.

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Standards Australia remains committed to its fundamental mission - to enhance the nation’s economic efficiency and international competitiveness, and to ensure the safety of our community and environmental sustainability.

Chairman’s Message
Laying the foundations for our future

John Castles AM
Chairman
Standards Australia
The 2008 financial year began with the bedding down of the move to our new offices in the Exchange Centre and finished with the release of the specific details of our exciting New Business Model and the rapid transition to this new way of operating.

Between these two very significant events there have been many highlights and achievements including the accreditation of Standards Australia by the Accreditation Board for Standards Development Organisations (ABSDO), the transformation of the Australian Design Awards into an international competition, and an official visit by the International Organization for Standardization (ISO) Secretary-General, Mr Alan Bryden.

In addition, our status as Australia’s peak Standards body was renewed in May with the signing of a revised Memorandum of Understanding with the Commonwealth Government, reflecting important outcomes of the 2006 Productivity Commission.

Along the way Standards Australia published 462 Standards and other publications, made around 15 submissions to different state and Federal commissions and organised and hosted a range of industry and community forums and events throughout the country.

The New Business Model

Laying the foundations for a new and improved Standards Australia has been a major strategic focus for our Board and executive team in recent years.

This financial year we put the finishing touches on the new business plan and started the transition to Standards Australia’s New Business Model. At its core, the new model measures the need for new Standards projects against a transparent Net Benefit assessment.

For projects that establish a Net Benefit to the community as a whole, we now offer a diverse range of development pathways, empowering stakeholders to determine resources, timesframes and methodologies that best meet their needs.

Supporting this is the development of improved processes and project prioritisation that will allow us to identify, where our limited resources can best deliver maximum value to the Australian community.

It is a new process that acknowledges, for the first time, that Standards Australia can no longer shoulder the immense workload of developing and reviewing the 1,400 projects that were on our books at the beginning of the 2007-08 financial year.

As at June 2008, we had established the Living Laboratory to drive efficiency and innovation in our processes; commenced recruiting new Relationship Managers to improve our engagement with stakeholders; made significant progress in the development of the Net Benefit assessment process; and invested in new IT systems to support the new model.

By the time you read this, the transition phase will be well underway and the new Standards Australia will be taking shape.

Standards Development

Despite the additional workload relating to the move to the New Business Model we have continued our core role of developing and publishing Australian Standards, Handbooks and other important guidance materials.

Over the past year, 403 Standards were published including the new edition of the Wiring Rules Standard for the electrical industry and the Child Resistant Packaging Standard. We also produced 46 Handbooks including the Employment Screening Handbook, Workforce Planning Handbook and Product Safety Handbook.


All these documents, many of which were developed in collaboration with government and industry stakeholders, received considerable media attention and have been highly praised across the sectors.

To support the New Business Model, we put in place new learning and development opportunities for all staff and commenced the rationalisation project to review our workload and determine how best to proceed.

The New Business Model provides the framework for a more productive and effective Standards development process, delivering real benefit to all Australians.

National Standards Office

The National Standards Office (NSO) is now officially up and running and has cemented its role as a critical resource in the coordination and development of Australian Standards and Australia’s participation in international standardisation initiatives.

ABSDO

ABSDO, the highly autonomous accreditation body, was reconstituted in 2006 and under the New Business Model will play an increasingly important role in providing an alternative pathway for the development of Standards.

Aligning to a recommendation from the 2006 Productivity Commission Review, ABSDO is now operating even more autonomously from new offices in Canberra and is actively seeking industry organisations interested in becoming accredited to develop their own Australian Standards.

Greater Public Presence

This financial year we continued to strengthen our reputation as an important government and industry stakeholder by establishing new offices and a presence in Canberra.

In April, we also established a Customer Information Service team to respond to the many and varied enquiries we receive by telephone and via email. This new interface with the public not only ensures we respond to queries in a timely manner, but also provides another mechanism for our stakeholders and members of the community to engage with Standards Australia.

Australian International Design Awards

Recognising and encouraging high quality design and manufacturing practices continues to be an important focus for Standards Australia. This year, we successfully implemented the biggest change in the 50-year history of the Awards. For the first time, Australian designed products were judged against internationally designed products available on the Australian market.

Together with the industrial design community, we celebrated 50 years of rewarding and promoting Australian design excellence and innovation. The May Awards Ceremony in Sydney attracted a record attendance and was unanimously praised as the best presentation night in the lifetime of the Awards.

With this transition, and the election of Mr Brandon Gien, Executive Director of the Australian International Design Awards, to the Board of the International Council of Societies of Industrial Design (ICSID), Australian design has never played a more prominent role on the world stage.

The Future

We are now entering a new and exciting time in the history of Standards Australia. The advantages of our New Business Model are already demonstrating improved productivity and more strategic engagement with our stakeholders.

Our reputation as one of the world’s leading Standards development bodies has never been stronger and we are poised to build on this at both national and international levels as outcomes of the New Business Model continues to unfold.

As we move towards full implementation of the new framework, I am confident Standards Australia will emerge a stronger, more consistent and effective organisation, continuing to make a valuable contribution to the Australian community.

John Tucker
Chief Executive Officer
Standards Australia
In May 2008, Standards Australia renewed its Memorandum of Understanding with the Commonwealth Government, recognising our status as the peak Standards body in Australia.

Standards Development Activities
462 new Standards, Technical Reports, Handbooks, Guidelines and specifications were published during 2007-08.

In July, Standards Australia released a new Handbook designed to raise awareness of risk management in motor sport. Developed in partnership with the Australian Auto Sport Alliance and Australian Grand Prix Corporation, the handbook concentrates on improving risk management in this inherently dangerous sport.

In October, together with the Australian Securities and Investments Commission, two new Handbooks for the financial services industry were launched, including Reference Checking in the Financial Services Industry and Employment Screening Handbook.

The latest edition of the Australian/New Zealand Standard for Wiring Rules was published in November. The new edition, in two parts, expands on electrical installations, improves safeguards and addresses identified needs and expectations of stakeholders.

Other highlights include new Standards for the packaging of dangerous goods which were referenced into Commonwealth Government regulations in September, the new Child Resistant Packaging Standard designed to improve requirements for reclosable packaging, published in October and the new Standard for residential sprinkler systems which allows plumbers to install automatic fire sprinklers in homes for the first time.

Significant work was undertaken on the new Australian Standard for Organic and Biodynamic Products which is expected to be published by the end of 2008.

Standards Australia and the Safety Institute of Australia joined forces to develop and promote health and safety Standards across government, industry and the community.

In April, John Tucker, CEO of Standards Australia, launched the Workforce Management Handbook designed to help governments and business manage workforce demand and supply as the population ages and the skills crisis deepens.

International Participation
In September, Standards Australia cast an abstain vote in the ISO/IEC JTC1 ballot to adopt the DIS 29500 Office Open XML format draft Standard as an International Standard. The decision followed months of consultation and a clear lack of stakeholder consensus.

In the international standardisation space, Standards Australia hosted a number of major ISO and IEC meetings throughout the country. Topics included the development of health informatics Standards, radio interference and information technology.

Australian International Design Awards
In September, The Hon. Clover Moore, Lord Mayor of Sydney, launched a new corporate identity and structure for Standards Australia’s design assessment and promotion arm – the Australian International Design Awards. For the first time, internationally-designed products available for sale in Australia were eligible to enter the prestigious Awards program. Over 150 entries were received and the Presentation Night in May, celebrating 50 years of rewarding and recognising design excellence, attracted a record number of attendees.

In a major coup for the Awards program, the entire Board of the International Council of Societies of Industrial Design (ICSDI) attended the Presentation Night which coincided with the organisation’s first Board Meeting for 2008.

In May, the team launched a new website, www.australiandesign.org, to promote Australian industrial design locally and internationally.

National Forums
Throughout the year, Standards Australia hosted a number of national forums for industry, government and community stakeholders.

Topics included the role of internationally consistent Standards in Australia’s new carbon emissions trading scheme, Standards development for energy efficient products, product safety Standards and security Standards for biological agents.

Submissions
Advocacy of Standards continues to be a major role for Standards Australia. During 2007-08, a wide selection of submissions were made to government and industry bodies on topics ranging from the environment and climate change to consumer policy, digital television, carbon offset claims, nanotechnology, business manufacturing, export policies, health reform and innovation. Standards Australia also made a submission to the Federal Government’s 2020 Summit held in April.

Standards Development Organisations
The Rail Industry Safety and Standards Board (RISSB) was accredited by ABSDO as a Standards Development Organisation in July with an agreed work program of almost 170 new rolling stock and infrastructure Standards. Implementation of this work program will make RISSB the second largest developer of Australian Standards.

Around the same time, Australian Forestry Standard Limited was reviewed for re-accreditation against the new ABSDO Requirements for Accreditation of Standards Development Organisations.

Seafood Services Australia, an accredited SDO since March 2006, released the Australian Fish Names Standard in June, after months of consultation with stakeholders. The Standard assigns one Standard Fish Name for each species, thereby reducing consumer confusion.

Standards Australia’s Standards Development division achieved ABSDO accreditation in May.

Year in Review
Introducing our New Business Model

A major goal of 2007-08 has been to identify a new operating framework that will better support Standards Australia’s ability to effectively develop and review Standards and deliver benefit to the Australian community.

In April 2008, the New Business Model was introduced to Members, Nominating Organisations, staff and other stakeholders. Following six months of transformation, this new way of operating came into effect on October 1, 2008.

The new model was developed after several years of extensive consultation and planning with industry, community and government stakeholders. It will ensure Standards Australia is effective, efficient, flexible, consistent and sustainable well into the future.

The New Business Model:

- Enables more strategic and forward thinking engagement with industry, community and government;
- Creates a transparent Net Benefit Assessment for each Standards project proposal;
- Provides multiple pathways for Standards development; and
- Invests in improved technology, processes and staff capability so Standards Australia can deliver better outcomes.

During 2007-08, significant investments were made in technology, planning, staff development and new people to support the new model and transformation phase. Under the New Business Model, Standards Australia has shifted to more strategic engagement with stakeholders.

To support this fundamental shift in the way Standards Australia engages, 12 key sectors were identified across the breadth of the economy:

1. Agriculture, Forestry, Fishing and Food
2. Mining
3. Manufacturing and Processing
4. Building and Construction
5. Energy
6. Water and Waste Services
7. Transport and Logistics
8. Health and Community Services
9. Consumer Products, Services and Safety
10. Education and Training Services
11. Communications, Information Technology and e-Commerce Services
12. Public Safety, Public Administration, Business and Management

A team of Relationship Managers were recruited to work closely with stakeholders to establish priorities within their sectors, identify solutions to issues, and help them understand their strategic options, particularly where Standards could play a role.

The New Business Model gives stakeholders a choice in the pathways they can take to develop a Standard. Stakeholders may wish to apply to the Accreditation Board of Standards Development Organisations (ABSDO) to become accredited to develop their own Australian Standards, or use one of the four pathways offered by Standards Australia.

Standards Development Pathways

Committee Driven
Highly autonomous Committees develop approved Standards to ABSDO requirements with defined technical and secretarial support from Standards Australia.

Bureau
An enhanced version of the Committee Driven pathway, where responsibilities are held by one proposing organisation. That organisation is the main driver of the project.

Collaborative
Stakeholders and Standards Australia jointly drive and resource the project through a negotiated sharing of responsibility.

Standards Australia Driven
Standards Australia drives and resources the project with a high degree of engagement from stakeholders and commitment to the project outcomes. This limited pathway is only available to projects which demonstrate extremely high Net Benefit and alignment with national priorities.

Moving Towards the New Business Model
A number of new divisions and processes were developed and established in 2007-08 to support the New Business Model.

Project Rationalisation
During the past year, significant work was undertaken to develop project rationalisation criteria to review all 1,400 active projects identified at the beginning of 2007-08 and determine the best way to proceed with our limited resources.

As at June 2008, the assessment criteria was near completion and we were preparing to inform our staff, stakeholders and Committees about project status, prioritisation and appropriate pathways for the future.

Net Benefit Assessment
At the core of the New Business Model is the concept of Net Benefit – the idea that outcomes of each and every Standards project must outweigh the costs and impacts of implementation and be of benefit to the community at large.

Net Benefit assessments will guide all of Standards Australia’s investment in projects and activities. Every new Standards project will be subject to a Net Benefit assessment against a common set of criteria and we will use the newly developed project selection tool to help ensure we are making the best use of our resources.

During 2007-08, Standards Australia worked closely with Professor Kevin Austin from Enzyme International to plan and develop the criteria and assessment methodology to underpin Net Benefit assessment.

The final outcome from this work was announced to staff and stakeholders. Living Laboratory

In April 2008, the Living Laboratory was created as a virtual research and development centre in which to road test new approaches to the work Standards Australia does.

Once fully operational, internal staff, academics from the University of Canberra and external consultants from Enzyme International will collaborate, report and implement projects to drive innovation and efficiency in Standards development processes.

In its first three months of operation, the Living Laboratory supported key projects under the New Business Model Transformation Program including the development of the Net Benefit assessment, rationalisation of projects, streamlining Standards development and the definition of new pathways. As part of the Living Laboratory, a large number of Standards Development staff have been engaged in contributing to the development of models and initiatives for the transformation of Standards development processes.

Customer Information Service
To improve our customer service and to assist with enquiries in relation to the New Business Model, a Customer Information Service team was established in late April 2008 to provide information to external stakeholders who contact Standards Australia by phone and/or via email.

The team is responsible for researching and responding to requests related to Standards Australia and its activities. They assist with the management of complaints as well as referrals to other organisations and services.

From April to June 2008, the Customer Information Service handled over 1,000 enquiriers in addition to hundreds of incoming phone calls.

National Standards Office
The National Standards Office (NSO) was established in early 2007 to ensure all Standards developers work together, avoid duplication and harmonise with International Standards. Consultation with stakeholders identified a growing need for greater coordination of Australian Standards and their development.

During 2007-08, the NSO became fully operational with policies and procedures developed to define its role and responsibilities.
Our Roles, Performance and Goals

Standards Coordination and Information
National Standards Office

Aim
To build and provide a central information resource for stakeholders about Australian, regional and international standardisation and to promote the benefits of internationally aligned Standards in the public interest and the benefits of participation in standardisation initiatives.

Role
The National Standards Office (NSO) was established in early 2007 to manage the coordination and development of Australian Standards and Australia’s involvement in international standardisation initiatives. A key role is to promote the benefits of participation in national, international and regional standardisation projects to industry and community.

The area is responsible for maintaining a register of all Standards development projects by Standards Development Organisations (SDOs) as well as keeping an up to date catalogue of published Australian Standards. The NSO ensures all new Standards development projects meet the minimum criteria of an Australian Standard.

The NSO is also responsible for coordinating Australia’s participation in international Standards development projects, including managing Australia’s representation at the International Organization of Standardization (ISO), the International Electrotechnical Commission (IEC) and the Pacific Area Standard Congress (PASC).

2007–08 Milestones and Achievements
A main focus for 2007-08 has been the development of a suite of NSO guides, policies and procedures to explain the role and rationale behind this new area. All policies and procedures are now finalised.

Together with Standards New Zealand and the Standardization Administration of China, the NSO developed a Chinese/Australian/New Zealand information portal to assist Australian industry in understanding the framework of Standards and conformance infrastructure in China, and the Standards that are available in China. Launched in April, this portal will assist Australian industry to gain access to markets in China by better understanding the local requirements.

In October 2007, Standards Australia and the NSO hosted a visit from ISO Secretary-General Mr Alan Bryden. To coincide with Bryden’s visit to Australia, the NSO held its first Round Table on the topic of Sustainability and Emissions Trading Standards. The meeting was facilitated by business commentator and editor, Peter Switzer.

In April, the NSO hosted a special forum for all accredited SDOs to share information and experiences in developing Standards. Feedback from the forum was very positive.

Other achievements include redrafting the International Guides which provide information to stakeholders about how to participate internationally at ISO and IEC meetings. The NSO also implemented new procedures for approving delegates for international meetings, and for the transparent allocation of grant-in-aid funding for international participation.

In the past year, the NSO has also assisted in the communication and consultation process with existing Standards Sector Boards and Advisory Groups about the new stakeholder engagement framework and planning for the transition to the New Business Model.

2008–09 Goals
• Create an online catalogue (Library) of Australian and International Standards
• Establish the National Standards Advisory Committee (NSAC)
• Establish a Secretariat to support Advisory Boards, Industry Forums and other stakeholder events
• Develop a National Standardisation Strategy
• Promote Standards Australia’s role as Australian member of ISO and IEC to all stakeholders (including opportunities for participation)
• Monitor and advocate for optimal alignment between Australian and International Standards
• Improve reporting, forecasting and accountability for Commonwealth grant-in-aid funding for international participation
• Draft further Information Guides to support SDOs and other stakeholders
• Improve awareness of Standards Australia within DFAT
• Provide input and support for: Net Benefit Project, Stakeholder Engagement Project and the ‘international processes’ work within the Living Laboratory

Our Roles, Performance and Goals

Standards Coordination and Information
National Standards Office
Aim
To maintain a rigorous, equitable, accessible and transparent accreditation framework with a level playing field for all organisations seeking to develop and maintain Australian Standards.

Role
The Accreditation Board for Standards Development Organisations (ABSDO) was established by the Standards Australia Council to encourage and accredit other organisations to produce their own Australian Standards. It operates independently and autonomously from Standards Australia.

Accredited Standards Development Organisations (SDOs) must meet certain minimum requirements to produce their own industry Standards and have them recognised as Australian Standards. Accreditation by ABSDO ensures Australian Standards retain the quality inherent in the rigorous, transparent and internationally aligned development process.

ABSDO works closely with the National Standards Office to avoid duplication and encourage SDOs to consider and work with International Standards in their area.

There are currently four external accredited SDOs developing a wide range of Australian Standards covering forestry management and certification, railway rolling stock, fish names and telecommunications.

ABSDO regularly conducts surveillance audits of existing SDOs and identifies organisations that could potentially be accredited.

2007–08 Milestones and Achievements
In early 2008, ABSDO established new offices in Canberra to increase autonomy. A new Executive Manager was appointed in April. ABSDO accredited the Rail Industry Safety and Standards Board (RISSB) as an SDO in July. Almost 170 new rolling stock and infrastructure Standards have been identified in the organisation’s work program. Development and implementation of these new Standards will make RISSB the second largest developer of Australian Standards.

In August, Australian Forestry Standard Limited was re-accredited against ABSDO’s new Requirements for Accreditation of Standards Development Organisations.

A series of revised policy documents were issued in September to assist SDOs in the development of Standards. Standards Australia achieved ABSDO accreditation in May.

2008–09 Goals
- ABSDO identity and credibility established with major stakeholders
- Expanded range of Australian Standards, maintaining reputation and rigour
- Inherited ABSDO autonomy
- Independent appeals system implemented
- Net Benefit applied to Australian Standards developed by all SDOs
- Standards Australia and other accredited SDO processes reviewed for compliance with ABSDO Requirements and Criteria

Accreditation ensures all Australian Standards adhere to a rigorous, transparent and internationally aligned development process, encouraging quality, harmony and integrity.
Secretariat supports Standards Australia’s role in ensuring all competing interests are heard, their points of view considered and consensus is reached.

Aim
To facilitate the development of internationally harmonised Standards and other solutions that make a positive contribution to Australia, in a sustainable and efficient manner.

Role
Standards Australia’s Operations area is responsible for developing and maintaining strategic and stakeholder relations and delivering Australian Standards and other Standards solutions. It comprises six key areas: Relationship Management, International Secretariat, Project Office, Standards Development, Project Management, Living Laboratory and Learning and Development.

The Relationship Management team supports all of Standards Australia’s roles, functions and business objectives. Through strategic engagement with stakeholders, Relationship Managers identify needs and issues within sectors and propose Standards solutions. This includes advising stakeholders on the choice of Standards development pathways available to them.

Working closely with the NSO, the International Secretariat supports Standards Australia’s international standardisation work.

The Project Office manages the evaluation, prioritisation and selection of projects in accordance with Net Benefit methodology. The Project Office also develops best practice project management methodology. Project Managers facilitate the review and development of Australian Standards, Guidelines, Handbooks, Codes and specifications. Standards are developed through collaboration of balanced committees representing the views of relevant stakeholders to ensure all competing interests are heard, points of view are discussed and a consensus is reached during the Standards development process.

The Living Laboratory and Learning and Development area support continual improvement of Standards Australia’s processes, particularly in relation to Standards Development area. The identification and delivery of skills development and training for Standards Australia staff, stakeholders and business partners.

2007–08 Milestones and Achievements
Standards Australia’s Standards Development area achieved ABSDO accreditation in May. 403 new Standards, 46 Handbooks and a range of other Guidelines and Codes were published, including the new Wiring Rules Standard, Pre-purchase inspection of residential building Standard, revised Standard on structural design earthquake actions, Employment Screening Handbook, Workforce Planning Handbook and Product Safety Framework.

In the past year, Standards Australia collaborated with a wide range of industry and government partners in the development of Standards. These included the South Australian Environmental Protection Agency, jewellery industry, the Department of Health and Ageing, Commonwealth Attorney General’s Department and National Maritime Safety Council.

In early 2008, Standards Australia met with members of the newly elected Commonwealth Government to discuss Standards Australia’s role, objectives and involvement in key areas of public policy. A new Memorandum of Understanding was signed in May 2008.

Research and development has continued to be key. During 2007–08, several submissions were made to Government departments and agencies on issues including consumer policy, nanotechnology, regulatory burdens on the manufacturing industry, climate change, national health reform, export policy and digital television. Standards, Standards Australia also made a submission to the Federal Government’s 2020 Summit in April.

A new sector strategy and stakeholder engagement framework was developed to better communicate with industry. Twelve key sectors were identified across the breadth of the economy: Agriculture, Forestry, Fishing and Food; Mining; Manufacturing and Processing; Building and Construction; Energy; Water and Waste Services; Transport and Logistics; Health and Community Services; Consumer Products, Services and Safety; Education and Training Services, Communications, Information Technology and e-Commerce Services; and Public Safety, Public Administration, Business and Management.

Significant work has been undertaken to develop and build Standards Hub, an integrated internet-based tool for the management and coordination of Standards development projects. Using this central portal, Project Managers and Committee Members can communicate more efficiently, view relevant documents and track the status of their project. The roll-out of Standards Hub commenced in July 2008.

The Living Laboratory was established in April to develop and test new and innovative ways to approach the work we do, particularly in the Standards development process.

In cooperation with the Living Laboratory and external consultants, Enzyme International, staff from Standards Development contributed to the development of the criteria and methodology underpinning the Net Benefit assessment and project selection guidelines. Staff recruitment to fill new roles identified as part of the New Business Model, including Relationship Managers, Project Management Team Leaders and staff for the Project Office commenced recently.

2008–09 Goals
• Establish Relationship Management framework and infrastructure and implement the sector-based engagement strategy
• Strengthen relationships with government, regulators and business
• Support understanding and use of alternative Standards solutions and pathways
• Rationalise Standards Australia projects and Committees consistent with Net Benefit criteria
• Implement New Business Model Project Management Methodology and reengineered Standards development processes
• Deliver and support national and international Standards development projects in an efficient, effective and sustainable manner
• Develop and deliver a training infrastructure, aligned to business needs and strategic direction
For more than 15 years, Standards Australia has helped to foster a culture of design and innovation in Australia.

To better support our reputation as an internationally-recognised awards program and to achieve global design benchmarks, the assessment process was ‘internationalised’ by inviting 150 additional international design experts to participate in the First Round Internet Shortlisting. In addition, three international design experts joined the Final Round Judging Panel.

The 50th Anniversary Presentation Night was held at the Australian Technology Park in Sydney in May and attracted a record attendance of 840 guests, including the Board of ICSID. Industry feedback indicated that the night was the best in the history of the Awards.

A number of celebrations and promotional activities were held throughout 2008 to mark the 50th anniversary of rewarding and recognising excellence in design in Australia, a significant milestone in the history of Australian design. Particularly noteworthy was the video retrospective featuring interviews with many of Australia’s great design pioneers as well as footage and imagery of Australian design icons including the Victa lawnmower, FJ Holden, Black Box Flight Recorder and many more. The video is now being adopted as an educational tool for Australian universities and museums.

In April, Standards Australia hosted a Sustainability Forum in collaboration with sponsorship partner, Sustainability Victoria. The forum specifically targeted CEOs of design and manufacturing firms, and promoted the benefits of design for sustainability in product design, architecture and building maintenance. Speakers included Craig Roussac, Director of Technology and Innovation at the UK Centre for Technology.

In May, a new online design directory - www.australiandesign.org - was launched to showcase Australian industrial design and innovation to the world. Featuring regularly updated design industry news, image galleries, case studies, an events calendar and a comprehensive industrial design directory, the online portal is the latest initiative to promote Australia’s industrial design industry. Further development is now underway to introduce new revenue streams including premium listings and employment listings.

**2008–09 Goals**
- Continue roll-out of international design awards program and meet 08–09 business plan and projection
- Develop australiandesign.org as a leading industry resource tool and hub, and achieve revenue target through advertising opportunities
- Continue to bring all new media production in-house for greater control over branding and communications
- Establish ‘Australian Design Assessment and Promotion’ Advisory Board
- Establish basis for subsidiary organisation including governance and proposed operating structure

**Aim**
To be one of the world’s foremost design assessment and promotion bodies through which Australia may become more globally competitive in design.

**Role**
Since 1991, Standards Australia has supported and promoted Australia’s industrial design industry through the prestigious Australian International Design Awards program and other design promotion initiatives, including forums and the recent launch of an online portal for the design community.

Through these initiatives Standards Australia provides opportunities through which design in Australia may be benchmarked, endorsed and promoted to world design standards. We are committed to elevating and promoting the importance of design investment to business and industry, the government, media and the general community.

The Awards program recognises and rewards professional and student designers for their design excellence and innovation.

This year, for the first time, local designs were judged against internationally-designed products available for sale in Australia, marking the program’s successful transition to the Australian International Design Awards. 2008 also marked 50 years of rewarding and recognising design and innovation excellence in Australia.

**2007–08 Milestones and Achievements**
In October 2007, Mr Brandon Gian, Executive Director of the Australian International Design Awards, was elected to the International Council of Societies of Industrial Design (ICSID) Board, the world’s peak industrial design industry organisation.

Our newly structured design assessment and promotion program, the Australian International Design Awards, was launched in September by the Lord Mayor of Sydney, The Hon. Clover Moore. A total of 159 entries were received, an increase of 60 entrants from last year’s program. Close to a third of entries were internationally-designed products eligible to enter for the first time.

In addition to continuing our key sponsorship partnerships with Dyson Appliances and Sustainability Victoria, new agreements were formed with Oxfam and IP Australia to help support the program’s new model.

**2008–09 Goals**
- Continue roll-out of international design awards program and meet 08–09 business plan and projection
- Develop australiandesign.org as a leading industry resource tool and hub, and achieve revenue target through advertising opportunities
- Continue to bring all new media production in-house for greater control over branding and communications
- Establish ‘Australian Design Assessment and Promotion’ Advisory Board
- Establish basis for subsidiary organisation including governance and proposed operating structure
With the ever increasing complexity inherent with contemporary accounting standards we believe the statutory Financial Report warrants a ‘Plain English’ overview, together with some commentary on Standards Australia’s financial and investment strategies.

**Financial Strategy**

Standards Australia’s financial model and long term financial viability are largely borne out of its considerable reliance on enduring returns from its investment portfolio. The fundamental principles are to:

- **Live within our means to ensure the organisation’s survival in perpetuity;**
- **Maximise long term investment returns by optimising the balance between risk and return;**
- **Maintain the real value of the investment portfolio in perpetuity;**
- **Acknowledge that investment returns will fluctuate from year to year however short term operating cost levels and performance targets should be aligned with average long term return expectations;**
- **Explore alternative opportunities to generate income or other resources to fund our business activities.**

We are committed to ensuring that the limited resources available are applied towards achievement of our overall objective to develop Standards in Australia’s national interest and for the benefit of the Australian public.

**The Investment Year**

After a number of years of booming global economies and equity and property markets, developments in investment markets over the last year have been dramatic:

- Debased lending standards in the US led to loans to high risk borrowers, often at honeymoon rates.
- Interest rates had increased by the time honeymoon rates were being reset, causing widespread defaults.
- Mortgage foreclosures in turn progressed to loans to high risk borrowers, often at honeymoon rates.
- Oil prices and commodities have risen, flowing through to higher inflation and lower consumer confidence and retail sales.
- In Australia the share market fell sharply by 17 percent.
- Australians investing globally were further impacted by a 13 percent rise in the Australian dollar – leading to a 21 percent fall for global share market investments.

**Investment Strategy and Outlook**

Standards Australia’s long term investment objective remains unchanged:

“To grow the investment corpus in real terms over a seven year period, after providing for a minimum return of (CPI + 1%) + 4.0% per annum (after fees, and measured over the seven year period), with moderate volatility of returns.”

Investment returns since inception (June 2004):

- Actual return 12.6% pa
- Objective (CPI + 1%) + 4% 8.3% pa

Whilst experts forecast that interest rates in Australia will fall towards the latter half of calendar 2008, further challenging financial times are expected to come, particularly in the US. With equity and credit markets still concerned about market fundamentals and slowing global economic growth, the short term outlook remains subdued. Notwithstanding this we remain confident with projected long term returns expectations.

**Investment Portfolio**

With the exception of three directly owned properties ($47.0m), all other funds ($163.5m) are managed in 17 specialist investment funds. The performance and suitability of the investment funds is monitored by our investment consultants, JANA Investment Advisers.

Apart from a number of smaller changes to investment allocations there were no significant changes to investments during the year. The investment objective and strategy is currently being reviewed by JANA in light of the changed investment environment. This may result in changes in the new financial year.

The Board has resolved to divest the directly owned investment properties at an appropriate time and the proceeds applied to more suitable long term investments. It is expected that some of these properties may be sold in the forthcoming year. At that time the current over-weight allocation to Property will be reduced to approximately 17 percent of the total portfolio. The properties were independently revalued at 30 June 2008 resulting in an increase in book values of $1,544,000 which is accounted as revenue.

**Financial Result**

The audited net surplus for the year is $2,040,000:

- Surplus on sale of managed funds $13,711
- Surplus on sale of investment properties $37,500
- Surplus on revaluation of investment properties 1,544
- Managed funds distributions and property rentals 18,758
- Surplus on sale of investment properties 3,104
- Surplus on sale of managed funds 2,167

Net Surplus $2,040,262,000

Not included above is a reduction in the capital value of managed investment funds of $26,773,000 (2007 increase $9,082,000).

Whilst the result is significantly lower than 2007, the operating deficit is within budget and within the Board’s financial sustainability requirements. The investment result is down, but it largely reflects a valuation measure at a particular point in the short term, not affecting long term performance expectations. Long term investment performance continues ahead of our objectives.

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**2007-2008 Statistics**

<table>
<thead>
<tr>
<th>Category</th>
<th>2007 $'000</th>
<th>2008 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drafts issued</td>
<td>59</td>
<td>280</td>
</tr>
<tr>
<td>Total Standards</td>
<td>6,548</td>
<td>7,013</td>
</tr>
<tr>
<td>Total other publications</td>
<td>744</td>
<td>17,902</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>(11,719)</td>
</tr>
<tr>
<td>Investment portfolio value</td>
<td>$210.5m</td>
<td></td>
</tr>
<tr>
<td>Gross return on investment portfolio</td>
<td>-4.8%</td>
<td></td>
</tr>
</tbody>
</table>

**Investments:**

- Managed funds distributions and property rentals 18,758
- Surplus on evaluation of investment properties 1,544
- Surplus on sale of investment properties 3,104
- Surplus on sale of managed funds 2,167

**Net Surplus**

2,040,000

---

**At 30 June 2008 the investment portfolio is structured as follows:**

- **Australian equities $39.3m** 19%  
- **International equities $45.6m** 22%  
- **Property $62.1m** 29%  
- **Alternatives – defensive $37.5m** 18%  
- **Alternatives – growth $25.2m** 12%  

---

**Financial Overview**

- **Expenses**
- **Revenues**
- **Operations**
- **Operations Deficit**
- **Investments:**
  - Managed funds distributions and property rentals
  - Surplus on evaluation of investment properties
  - Surplus on sale of investment properties
  - Surplus on sale of managed funds
- **Net Surplus**
  - 2008 $2,040,000
  - 2007 $2,000
The Directors present their report on Standards Australia Limited for the year ended 30 June 2008.

Principal Activities
The principal activities of Standards Australia Limited have been fulfilling the role as Australia’s peak Standards body in the development of Australian Standards, the conduct of the Australian International Design Awards, and investment. No significant change in the nature of these activities occurred during the year.

Company Secretary
The company secretary is Anchor Whetham Dip Com, FCPA, FCIS. Before joining Standards Australia Limited in January 2004 he held various senior financial management and company secretarial positions including five years as director and secretary of a listed public funds management company.

Operating Results
The surplus of Standards Australia Limited for the year was $2,040,000 (2007 $26,021,000).

Review of Operations
The principal activities of Standards Australia Limited have been fulfilling the role as Australia’s peak Standards body in the development of Australian Standards, the conduct of the Australian International Design Awards, and investment. The Company has a diversified investment portfolio which generates earnings to meet the operational costs of Standards development.

Changes in State of Affairs
During the year there were no significant changes in the state of affairs of the Company.

Matters Subsequent to the End of the Financial Year
There has not been any matter or circumstance that has arisen since 30 June 2008 that has significantly affected, or may significantly affect:
(i) the operations of Standards Australia Limited in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of Standards Australia Limited in future financial years.

Future Developments
Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues
The Company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying Officers or Auditor
No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Meetings of Directors

Name Qualifications Experience
J S Castles AM
(Chairman)
B Arch (Hons), LFRAIA, RIBA, FAICD.
Consulting architect; Director Orchard Empire Pty Ltd; President Queens College Council University of Melbourne; Past President Professions Australia; National President RAA 1996-97. Chairman Australian Council of Building Design Professions 1996-97.

W Alan Morrison
(Deputy Chairman)
BSc, MPub Admin, PhD, CEng, FAICD, FCMI, FIEAust, FEIT, FIEE.
President Elect of the International Organization for Standardization (ISO); Member SA Finance & Audit Committee; Member Accreditation Board for Standards Development Organisations; Member Education Advisory Board & Law Committee of the Australian Institute of Company Directors; Chair Standards Business Governance Committee; Chair SA Certification and Testing Standing Forum.

E P Christie
BA (History/Ed), Grad Dip, Adult Ed.
Managing Director of Sydney Symphony. Former positions include President, Monash Asia Pacific, TOMP Worldwide; Managing Director, Business & Government Marketing, Telstra; National Government Sales Manager, Optus; and various senior roles in Education in Government and Institute of Technology and Canberra CAE.

V L Cox AM
B Arch, Dip T&C, LFRAIA, RIBA, Hon FNZIA, Hon JIA, Hon PKA, FRSA.
President, International Union of Architects (UIA); Chair Standards Australia Remuneration & Nominations Committee; former National President RAA 1994-95; former Chair Joint Building Standards Sector Board.

J Dixon Hughes
BSc, BE(Hons), MEngSc, DiplLaw (LPB), MLS (Hons), Hon REAust, CEng, FAICD, MACS, Legal Practitioner (NSW).
Managing Director, DHI Pty Limited; Member NATA Council; Director, Lincoln Red Castle Society (Aust) Ltd; Chair Communications IT & E-Commerce Standards Sector Board; Chairman SA Finance & Audit Committee; Member of DMO EWS Assurance Board.

I Graham
DiplEE, Grad Dip DE, Grad Dip BA, FIEAust, FAICD, CEng.
Manager Regulatory Systems Australian Radiation Protection and Nuclear Safety Agency; Chair SA Standards Development Committee; Chair SA Electrotechnology Standards Sector Board; former CEO of the Office of the Chief Electrical Inspector, Victoria.

P W Handy
BEc (Hons). 
Chief of Staff to the Leader of the Federal Opposition; director of the International Chamber of Commerce (Australia) former CEO and director of the Australian Chamber of Commerce and Industry (2002-2008).

A L Smith
BSc, BE (Hons), MBA, FIEAust, CEng, FAICD.
CEO, Sydac Pty Ltd; Member South Australia Training & Skills Commission; Past President Engineers Australia South Australian Division; Past Chairman of Engineers Australia’s Information, Telecommunications and Electronic Engineering College; Chairman Standards Australia Strategy Committee.

J D Tucker
B Ap Sc (Env Health).
Former positions include Executive Director of the NSW Minerals Council; Director Coal Services Ltd and associated entities; Executive Director NSW Private Hospitals Association; CEO of two MMi Group subsidiaries; Director NSW WorkCover Authority.

Meetings of Directors

Directors’ Report
Directors’ Report

Proceedings on Behalf of Company
No person has applied for leave of Court under Section 237 of the Corporations Act to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Finance & Audit Committee
The Directors established the Finance & Audit Committee to act as a medium by which the Board, management, and the auditors will meet, review and advise on matters relating to the Company’s financial management, risk and compliance.

The Committee’s primary objectives are to assist the Board in fulfilling its responsibilities relating to:
- accounting and reporting practices;
- compliance with legal and contractual obligations;
- investment strategy and management; and
- risk management.

Remuneration & Nominations Committee
The primary objectives and role of the Remuneration & Nominations Committee are to assist the Board in fulfilling its responsibilities relating to:
- overall remuneration policy and strategy for Standards Australia Limited, ensuring it reflects the needs of all stakeholders and the principles of good corporate governance;
- reviewing and recommending the Chief Executive Officer’s remuneration package;
- reviewing and recommending adjustments to Directors’ remuneration; and
- nomination and succession planning of new Directors and Board Committee Members.

Strategy Committee
The primary objective of the Strategy Committee is to assist the Board in considering and setting the Company’s overall strategic direction and objectives.

Standards Development Committee
The primary objective of the Standards Development Committee is to assist the Board in fulfilling its responsibilities as Australia’s peak national Standards body and in the development of Australian Standards and related documents, by overseeing the governance of the Standards development process.

Auditors’ Independence Declaration
A copy of the Auditors’ Independence Declaration is included on page 23.

Signed in accordance with a resolution of the Directors.

J S Castles
Chairman
Sydney, 29 August 2008

J D Tucker
Chief Executive Officer/Director

Auditors’ Independence Declaration
In the Directors’ opinion:
(a) The financial statements as at 30 June 2008 and notes set out on pages 26 to 43 are in accordance with the Corporations Act 2001, including:
(i) complying with Accounting Standards, the Corporations Regulations 2001 and other professional reporting requirements; and
(ii) giving a true and fair view of the financial position and performance of the Company as at 30 June 2008, as represented by the results of the operations and cash flows, for the year ended on that date; and
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

J S Castles
Chairman
Sydney, 29 August 2008

J D Tucker
Chief Executive Officer/Director

This declaration is made in accordance with a resolution of the Directors.
Income Statement
For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$22,515</td>
<td>$43,923</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>$11,305</td>
<td>$10,408</td>
</tr>
<tr>
<td>Finance costs</td>
<td>$6</td>
<td>$7</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>$1,166</td>
<td>$724</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>$7,998</td>
<td>$6,763</td>
</tr>
<tr>
<td>Surplus before income tax expense</td>
<td>$2,040</td>
<td>$26,021</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>$2,040</td>
<td>$26,021</td>
</tr>
</tbody>
</table>

The Income Statement is to be read in conjunction with the Notes to the Financial Statements.

Balance Sheet
As at 30 June 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,549</td>
<td>$1,516</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>$1,269</td>
<td>$596</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$616</td>
<td>$3,119</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$3,453</td>
<td>$5,207</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>$166,650</td>
<td>$193,707</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>$5,086</td>
<td>$5,712</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>$1,821</td>
<td></td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>$220,607</td>
<td>$244,107</td>
</tr>
<tr>
<td>Total assets</td>
<td>$224,060</td>
<td>$249,348</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>$1,602</td>
<td>$2,049</td>
</tr>
<tr>
<td>Provisions</td>
<td>$1,405</td>
<td>$1,387</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>$1,568</td>
<td>$1,329</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>$4,575</td>
<td>$4,765</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>$832</td>
<td>$808</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>$4,019</td>
<td>$4,421</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>$4,851</td>
<td>$5,229</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$9,426</td>
<td>$9,994</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>$214,634</td>
<td>$239,354</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>($37)</td>
<td>$26,944</td>
</tr>
<tr>
<td>Retained surplus</td>
<td>$214,671</td>
<td>$212,410</td>
</tr>
<tr>
<td>TOTAL EQUITY</td>
<td>$214,634</td>
<td>$239,354</td>
</tr>
</tbody>
</table>

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements.
### Statement of Recognised Income and Expense

#### For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the year</td>
<td>2,040</td>
<td>26,021</td>
</tr>
<tr>
<td>Increase/(decrease) in property revaluation reserve</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(decrease) in investment revaluation reserve</td>
<td>12</td>
<td>(26,760)</td>
</tr>
<tr>
<td>Net income and expense recognised directly in equity</td>
<td>(26,760)</td>
<td>10,125</td>
</tr>
<tr>
<td>Net recognised income and expense for the year attributable to members of Standards Australia Ltd</td>
<td>(24,720)</td>
<td>36,141</td>
</tr>
</tbody>
</table>

The Statement of Recognised Income and Expense is to be read in conjunction with the Notes to the Financial Statements.

### Cash Flow Statement

#### For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from operations</td>
<td>9,600</td>
<td>11,299</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(19,596)</td>
<td>(16,086)</td>
</tr>
<tr>
<td>Net cash (outflow) from operating activities</td>
<td>(9,996)</td>
<td>(4,787)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for investment securities</td>
<td>(13,692)</td>
<td>(23,378)</td>
</tr>
<tr>
<td>Payments for plant and equipment</td>
<td>(1,247)</td>
<td>(4,712)</td>
</tr>
<tr>
<td>Proceeds from investment sales</td>
<td>10,000</td>
<td>27,345</td>
</tr>
<tr>
<td>Interest and distributions received</td>
<td>14,968</td>
<td>6,295</td>
</tr>
<tr>
<td>Net cash inflow from investing activities</td>
<td>10,029</td>
<td>5,550</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents held</td>
<td>33</td>
<td>763</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>1,516</td>
<td>753</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the financial year</td>
<td>1,549</td>
<td>1,516</td>
</tr>
</tbody>
</table>

The Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements.
1. Statement of Significant Accounting Policies

a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001. The financial report covers Standards Australia Ltd (the Company) as an individual entity and is presented in the Australian currency.

The financial report was authorised for issue by the Directors on 29 August 2008. The Directors have the power to amend and reissue the financial report.

Compliance with International Financial Reporting Standards (IFRSs)

The financial report complies with Australian equivalents to International Financial Reporting Standards (AIFRSs) in their entirety. Compliance with AIFRSs ensures that the financial report complies with the International Financial Reporting Standards (IFRSs).

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair-value basis of accounting has been applied.

b) Investments

Investment properties

The Company holds investment properties to earn rentals and capital appreciation. The fair-value basis of accounting has been applied.

c) Property, plant and equipment

During the year the Company ceased using a portion of one of its investment properties for staff accommodation. At balance date this portion has been classified as investment property.

All property, plant and equipment are stated at historical cost less depreciation. Depreciation is calculated using the straight-line method over the property, plant and equipment’s estimated economic life. Depreciation rates are based on the following useful lives: Plant, equipment and furniture: 5 years; Computer equipment: 4 years; Leasehold improvements over term of lease.

d) Impairment

The carrying values of all assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If such an indication exists and where the carrying value exceeds the recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value in use.

In the case of managed funds investments classified as available-for-sale, a significant or prolonged decline in the fair value of investments below its cost is considered an indication that the investment is impaired. If any revaluation exists for available-for-sale financial assets, the cumulative loss is removed from equity in the Investment Revaluation Reserve and recognised in the Income Statement.

e) Employee benefits

Provision is made for the Company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

f) Income tax

The Company is exempt from income tax under section 8(2)(c) of the table in section 50-40 to the Income Tax Assessment Act 1997 in that it is a body that promotes the development of Australian “industrial resources” through the preparation and publication of industrial standards.

g) Rounding of amounts

The Company is a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to “rounding off” of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases to the nearest dollar.

h) Revenue

Income distributions from managed funds are recognised as income in the period that entitlement is established. Income from royalties is recognised as income in the period the sales are recorded by third parties. Income from grants is recognised in the period that the grant is receivable.

i) Goods and Services 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 Taxation 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 balance sheet 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.

j) Receivables

Receivables are carried at invoice amount including GST less an estimate for doubtful debts where collection of the full amount is no longer probable. Bad debts are written off when identified.

k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the balance sheet date.

l) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessee, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Lease incentives paid under operating leases are recognised as an asset and amortised on a straight-line basis over the life of the lease term.

m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. In particular, a revised AAS8110 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of recognised income and expenses, but will not affect any of the amounts recognised in the financial statements. The Company has elected to apply the revised standard from 1 July 2008.

n) Critical accounting estimates and judgements

Restoration of leased property

The Company leases office space under a non-cancellable operating lease expiring 30 June 2009. The Company is required to restore the leased premises of its office space to its original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the leasehold improvements and are amortised over the term of the lease.
2. Revenue

<table>
<thead>
<tr>
<th>Revenue from operating activities</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties</td>
<td>3,707</td>
<td>3,006</td>
</tr>
<tr>
<td>Grant received</td>
<td>2,250</td>
<td>2,200</td>
</tr>
<tr>
<td>Other income</td>
<td>1,068</td>
<td>977</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,013</strong></td>
<td><strong>6,183</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue from investing activities</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gain from sale of property investments</td>
<td>-</td>
<td>3,104</td>
</tr>
<tr>
<td>Net gain from sale of managed fund investments</td>
<td>-</td>
<td>2,167</td>
</tr>
<tr>
<td>Investment distributions</td>
<td>11,051</td>
<td>16,046</td>
</tr>
<tr>
<td>Fair value adjustment to investment property</td>
<td>1,544</td>
<td>13,711</td>
</tr>
<tr>
<td>Investment property rentals</td>
<td>2,787</td>
<td>2,594</td>
</tr>
<tr>
<td>Interest income</td>
<td>109</td>
<td>118</td>
</tr>
<tr>
<td>Net gain from sale of property, plant and equipment</td>
<td>11</td>
<td>37,740</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,062</strong></td>
<td><strong>37,740</strong></td>
</tr>
</tbody>
</table>

**Total revenue** 22,515 43,923

3. Expenses

Expenses from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss from sale of property, plant and equipment</td>
<td>-</td>
<td>139</td>
</tr>
<tr>
<td>Net loss from sale of managed fund investments</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>960</td>
<td>724</td>
</tr>
<tr>
<td>Leasehold amortisation</td>
<td>206</td>
<td>-</td>
</tr>
<tr>
<td>Rental expense relating to operating leases</td>
<td>949</td>
<td>142</td>
</tr>
<tr>
<td>Remuneration of current auditors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditing the financial report</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>Other services - audit of publishing licence agreement, audit of Commonwealth Grant and provision of advice in relation to withholding tax and GST</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Remuneration of former auditors:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other services - audit of Commonwealth Grant and provision of advice in relation to withholding tax</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Doubtful debts</td>
<td>1</td>
<td>8</td>
</tr>
</tbody>
</table>

4. Cash and cash equivalents

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and cash on hand</td>
<td>1,529</td>
<td>673</td>
</tr>
<tr>
<td>Deposits at call</td>
<td>20</td>
<td>843</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,549</strong></td>
<td><strong>1,516</strong></td>
</tr>
</tbody>
</table>

5. Trade and other receivables

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>1,292</td>
<td>574</td>
</tr>
<tr>
<td>Less: Impairment of receivables</td>
<td>(4)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,288</strong></td>
<td><strong>566</strong></td>
</tr>
</tbody>
</table>

At 30 June, there was no significant concentration of past due debts.

**Fair value and credit risk**

Due to the short term nature of the receivables, the carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at balance date is the carrying amount of each class of receivables mentioned above. Note 15 provides information on the risk management of the Company.

6. Other assets

(a) Current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>163</td>
<td>258</td>
</tr>
<tr>
<td>Accrued income</td>
<td>41</td>
<td>60</td>
</tr>
<tr>
<td>Lease incentive</td>
<td>364</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>45</td>
<td>2,801</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>616</strong></td>
<td><strong>3,119</strong></td>
</tr>
</tbody>
</table>

(b) Non-current

Lease incentive                      | 1,821        | -            |

**Total**                            | **1,821**    | **-**        |
7. Investments

(a) Investment properties – at fair value

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

- Opening balance at 1 July 44,728 29,861
- Disposal of investment property - (2,550)
- Transfer from owner occupied property 718 4,706
- Capitalised subsequent expenditure 60 -
- Net gain/(loss) from fair value adjustment 1,544 13,711

Closing balance at 30 June 47,050 44,728

Valuation basis
The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm’s length transaction based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Independent revaluations of investment property were made on 30 June 2008 by Savills, a registered Australian valuer. There is no information available to make a judgement different from the independent valuer.

Non-current classification
The Board has decided that the investment properties are to be disposed at an appropriate time and the proceeds applied to more suitable long-term investments. Whilst the disposal may occur in the next 12 months the property is classified as non-current to reflect the long-term investment intention of the underlying values.

(b) Other financial assets – at fair value

Investments in managed funds
- at unit price at 30 June 166,650 193,707

(c) Amounts recognised in profit and loss for investment properties

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

- Investment properties rental income 2,787 2,594
- Property operating expenses that generated rental income (554) (441)
- Capitalised subsequent expenditure 2,233 2,153

Impairment and risk exposure
At reporting date the Directors have determined that none of the financial assets are impaired.

8. Property, plant and equipment

(a) Property

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

- Opening net book amount 554 5,344
- Additions - 55
- Revaluation surplus - 139
- Transfer to investment property (531) (4,706)
- Depreciation expense (23) (276)
- Closing book amount 2,180 2,540

(b) Leasehold improvements

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

- Leasehold improvements – at cost 2,386 2,540
- Less: accumulated amortisation (206) -
- Net book amount 2,180 2,540

(c) Plant and equipment

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>$’000</td>
<td>$’000</td>
</tr>
</tbody>
</table>

- Opening net book amount 2,618 1,126
- Additions 1,420 2,143
- Amortisation expense (8) (204)
- Net book amount 2,906 2,618

Notes to the Financial Statements
For the year ended 30 June 2008
Notes to the Financial Statements  
For the year ended 30 June 2008

9. Trade and other payables

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>537</td>
<td>1,246</td>
</tr>
<tr>
<td>Other creditors</td>
<td>1,065</td>
<td>803</td>
</tr>
<tr>
<td></td>
<td>1,602</td>
<td>2,049</td>
</tr>
</tbody>
</table>


(a) Current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>913</td>
<td>864</td>
</tr>
<tr>
<td>Withholding tax liability</td>
<td>466</td>
<td>500</td>
</tr>
<tr>
<td>Restoration of leased property</td>
<td>26</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>1,405</td>
<td>1,387</td>
</tr>
</tbody>
</table>

Movements in provisions other than employee benefits during the financial year:

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>500</td>
<td>23</td>
</tr>
<tr>
<td>Decrease in discounted amount during the year</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Amounts used during the year</td>
<td>(34)</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>466</td>
<td>26</td>
</tr>
</tbody>
</table>

10. Provisions - continued

(b) Non-current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>576</td>
<td>549</td>
</tr>
<tr>
<td>Restoration of leased property</td>
<td>256</td>
<td>259</td>
</tr>
<tr>
<td></td>
<td>832</td>
<td>808</td>
</tr>
</tbody>
</table>

Movements in provisions other than employee benefits during the financial year:

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>259</td>
<td>259</td>
</tr>
<tr>
<td>Decrease in discounted amount during the year</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>256</td>
<td></td>
</tr>
</tbody>
</table>

(c) Restoration of leasehold property

This amount represents the provision for the present value of estimated expenditure required to remove any leasehold improvements as required by the terms of the lease of the office premises.

(d) Withholding tax liability

This amount represents a provision for withholding tax and associated costs payable within the next 12 months on royalties paid to overseas standardisation bodies. Some of this amount may ultimately be recoverable.

11. Other liabilities

(a) Current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>346</td>
<td>115</td>
</tr>
<tr>
<td>Special collections in advance</td>
<td>820</td>
<td>812</td>
</tr>
<tr>
<td>Lease incentive</td>
<td>402</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>1,568</td>
<td>1,329</td>
</tr>
</tbody>
</table>

(b) Non-current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Lease incentive</td>
<td>4,019</td>
<td>4,421</td>
</tr>
</tbody>
</table>

Lease incentive represents the unamortised portion of amounts received to enter into the operating lease for office accommodation.
## Notes 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property revaluation reserve</td>
<td>-</td>
<td>221</td>
</tr>
<tr>
<td>Investment revaluation reserve</td>
<td>(37)</td>
<td>26,723</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(37)</strong></td>
<td><strong>26,944</strong></td>
</tr>
</tbody>
</table>

### (a) Movement in reserves

#### (i) Property revaluation reserve
- Opening balance: 221,000
- Transfer to retained surplus: 13,000
- Revaluation of properties at year end: -138,000
- **Total** | **(138,000)**

#### (ii) Investment revaluation reserve
- Opening balance: 26,723,000
- Transfer to retained surplus: 13,000
- Revaluation of investments at year end: -9,982
- **Total** | **(9,982)**

### (b) Nature and purpose of reserves

#### (i) Property revaluation reserve
The property revaluation reserve is used to record increments and decrements on the revaluation of property (other than investment property).

#### (ii) Investment revaluation reserve
Changes in the fair value arising from the revaluation of investments, such as managed funds, classified as available-for-sale financial assets are taken to the investment revaluation reserve. Amounts are recognised in the income statement when the assets are sold or impaired.

### 13. Retained surplus

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained surplus at the beginning of the financial year</td>
<td>212,410</td>
<td>182,670</td>
</tr>
<tr>
<td>Transfer from reserves</td>
<td>12</td>
<td>221</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>2,040</td>
<td>26,021</td>
</tr>
<tr>
<td>Retained surplus at the end of the financial year</td>
<td>214,671</td>
<td>212,410</td>
</tr>
</tbody>
</table>

### 14. Reconciliation of surplus for the year end to net cash flows from operating activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>2,040</td>
<td>26,021</td>
</tr>
<tr>
<td>Managed funds distributions</td>
<td>(11,051)</td>
<td>(16,046)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,166</td>
<td>724</td>
</tr>
<tr>
<td>Charge for doubtful debts</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Net (gain)/loss on sale of plant and equipment</td>
<td>(11)</td>
<td>139</td>
</tr>
<tr>
<td>Net (gain)/loss on sale of managed investments</td>
<td>13</td>
<td>(2,167)</td>
</tr>
<tr>
<td>Net (gain)/loss on sale of investment properties</td>
<td>-</td>
<td>(3,104)</td>
</tr>
<tr>
<td>Fair value adjustment to investment property</td>
<td>(1,544)</td>
<td>(13,711)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in receivables</td>
<td>2,143</td>
<td>408</td>
</tr>
<tr>
<td>(Increase) decrease in other operating assets</td>
<td>(2,185)</td>
<td>2,086</td>
</tr>
<tr>
<td>Increase (decrease) in payables</td>
<td>610</td>
<td>74</td>
</tr>
<tr>
<td>Increase (decrease) in other provisions</td>
<td>42</td>
<td>802</td>
</tr>
<tr>
<td>Net cash (outflow) from operating activities</td>
<td>(9,906)</td>
<td>(4,787)</td>
</tr>
</tbody>
</table>
15. Financial Risk Management

Financial risk management

The Company has exposure to a number of financial risks primarily related to its investment portfolio. The Board’s Finance & Audit Committee assists the Board in overseeing and fulfilling its responsibilities relating to risk management. Independent investment advisers monitor the performance of all investments and advise the Board on investment strategy, asset allocation and the selection of individual fund managers. Funds are invested with a diverse range of professional licensed fund managers, primarily via pooled entities (e.g. unit trusts). Investments cover a range of investment styles, strategies, geographical sectors and risk profiles. There are 17 separate fund managers. Investment derivatives are used by some of the fund managers. The Company does not invest directly in derivative transactions.

The Company’s investment portfolio is strategically structured to maximise long term values and returns. These returns are used to fund a significant portion of total operating expenses. Whilst the portfolio is constructed to manage volatility, there are external influences and cycles that impact investment values and returns in the short term.

As a not-for-profit organisation the Company’s policy is to set short term operating expense budgets at a level that can be sustained by realistic medium term (5–7 year) investment returns. Accordingly whilst short term volatilities affect the value of investments and returns these are not considered as risks that will affect the Company’s medium term operational and financial performance.

Financial risks faced by Standards Australia

The primary risks are market risk relating to investments and, to a lesser extent, credit risk and interest rate risk.

a) Market Risk

Market risk is the risk of loss arising from movements in market variables including but not limited to foreign exchange risk and market price risk.

b) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has some investments with international fund managers which invest funds in the USA and other countries. Some of these fund managers utilise derivatives to hedge against fluctuations between the Australian dollar and the currencies in which the securities they invest are denominated. Some exposure to foreign currency risk is retained as part of the overall portfolio management strategy.

c) Market price risk

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. The Company’s investments have inherent pricing risks. This varies across the different asset classes based on the underlying securities or assets held by each individual fund manager. Asset classes invested are Australian equities, international equities, property, alternatives and cash.

Market price risk management involves decisions regarding the allocation of funds across the asset classes and includes management of those risks within each asset class. Each fund manager’s performance is measured against industry recognised index benchmarks that are relevant to the particular investment class. Compliance of a manager’s investment approach against its mandate is also monitored.

The Company’s exposure to market price risk at the reporting date was the value of managed funds investments of $166,650,000 (2007 $193,707,000). Refer to note 7(b).

The table on page 41 summarises the financial impact to the Company of possible fluctuations in investment values based on a “Volatility Factor”. The “Volatility Factor” is an estimate of the potential change that may occur in the market price of the investment classes to which the Company is exposed. The analysis is based on the assumption that the Volatility Factor had increased/decreased with all other variables held constant in a one year period.

The maximum estimated exposure to credit risk at 30 June 2008 is the carrying amount of cash and cash equivalents subject to fixed and/or variable interest rates. This exposure varies and the share of exposure to the Company is not readily determinable, however it is not considered significant.

Cash and cash equivalents are subject to variable interest rates, however the direct impact is minimised due to the relatively low allocation to this asset class.

The table on page 41 summarises the financial impact to the Company of possible fluctuations in investment values based on a “Volatility Factor”. The “Volatility Factor” is an estimate of the potential change that may occur in the market price of the investment classes to which the Company is exposed. The analysis is based on the assumption that the Volatility Factor had increased/decreased with all other variables held constant in a one year period.

2008 Asset Class

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Volatility Factor</th>
<th>Asset class weighting at reporting date</th>
<th>Impact on profit*</th>
<th>Impact on equity **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Equities</td>
<td>15%</td>
<td>19%</td>
<td>NIL</td>
<td>5,982</td>
</tr>
<tr>
<td>Overseas Equities</td>
<td>15%</td>
<td>23%</td>
<td>NIL</td>
<td>7,271</td>
</tr>
<tr>
<td>Property</td>
<td>12%</td>
<td>29%</td>
<td>NIL</td>
<td>7,436</td>
</tr>
<tr>
<td>Alternatives – growth</td>
<td>14%</td>
<td>12%</td>
<td>NIL</td>
<td>3,626</td>
</tr>
<tr>
<td>Alternatives – defensive</td>
<td>8%</td>
<td>17%</td>
<td>NIL</td>
<td>2,996</td>
</tr>
<tr>
<td>Cash</td>
<td>5%</td>
<td>0%</td>
<td>NIL</td>
<td>n/a</td>
</tr>
</tbody>
</table>

100%

2007 Asset Class

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Volatility Factor</th>
<th>Asset class weighting at reporting date</th>
<th>Impact on profit*</th>
<th>Impact on equity **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Equities</td>
<td>15%</td>
<td>21%</td>
<td>NIL</td>
<td>7,369</td>
</tr>
<tr>
<td>Overseas Equities</td>
<td>15%</td>
<td>25%</td>
<td>NIL</td>
<td>9,310</td>
</tr>
<tr>
<td>Property</td>
<td>12%</td>
<td>25%</td>
<td>NIL</td>
<td>6,869</td>
</tr>
<tr>
<td>Alternatives – growth</td>
<td>14%</td>
<td>11%</td>
<td>NIL</td>
<td>3,648</td>
</tr>
<tr>
<td>Alternatives – defensive</td>
<td>8%</td>
<td>15%</td>
<td>NIL</td>
<td>2,999</td>
</tr>
<tr>
<td>Cash</td>
<td>5%</td>
<td>3%</td>
<td>NIL</td>
<td>322</td>
</tr>
</tbody>
</table>

100%

* Impact on profit is NIL as these investments are classified as available-for-sale financial assets.

b) Interest rate risk

Investments in managed funds have some exposures to underlying investments in financial assets which may be subject to fixed and/or variable interest rates. This exposure varies and the share of exposure to the Company is not readily determinable, however it is not considered significant.

Cash and cash equivalents are subject to variable interest rates, however the direct impact is minimised due to the relatively low allocation to this asset class.

c) Credit risk

Credit risk arises from cash and cash equivalents, and accounts receivable. Cash funds are only invested with major banks where credit risk is considered minimal. Cash and cash equivalents and accounts receivable which have been recognised on the Balance Sheet net of any provision of impairment of these receivables.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

At reporting date, exposure to liquidity risk comprises trade and other payables of $1,602,000 (2007 $2,049,000). These liabilities mature in less than 60 days.
16. Commitments for expenditure

a) Capital expenditure commitments

Capital expenditure commitments contracted at balance date but not recognised as liabilities:

- Not later than one year: $193,000 (2007: $781,000)

b) Non-cancellable operating lease commitments

Aggregate amounts contracted for at balance date but not recognised as liabilities:

- Not later than one year: $976,000 (2007: $978,000)
- Later than one year but not later than five years: $5,540,000 (2007: $3,997,000)
- Later than five years: $6,806,000 (2007: $8,876,000)

Total: $13,322,000 (2007: $13,851,000)

In respect of non-cancellable operating leases the following liabilities have been recognised:

Current:
- Restoration of leased property: $10,26,000 (2007: $23,000)
- Lease incentive: $11,402,000 (2007: $402,000)

Non-current:
- Restoration of leased property: $10,256,000 (2007: $259,000)
- Lease incentive: $11,4,019,000 (2007: $4,421,000)

Total: $4,279,000 (2007: $4,698,000)

The Company leases office space under a non-cancellable operating lease expiring 30 June 2019. There are terms in the lease including escalation clauses and renewal rights.

c) Investment commitments

Irrevocable commitment to investment in a managed fund subject to call by the fund manager:
- at any time prior to 2 November 2009: $2,322,000
- at any time prior to 10 April 2009: $837,000
- at any time prior to 31 May 2010: $2,203,000

Total: $2,322,000 (2007: $3,037,000)

17. Key management personnel

a) Directors

The following persons were Directors of Standards Australia Limited during the financial year:

Chairman – non-executive
J S Castles
Chief Executive Officer
J D Tucker
Non-executive Directors:
V L Cox
J R Dixon Hughes
I K Graham
P W Hardy
W A Morrison
A L Smith

b) Other key management personnel

Executive Position
C Blair Deputy Chief Executive Officer
P Engel Executive Manager, Accreditation Board for Standards Development Organisations
B Gill General Manager, Corporate Services
S Gerstmyer Executive Manager, National Standards Office
A O’Connell General Manager, Operations
A Whetham Chief Financial Officer / Company Secretary

18. Events occurring after reporting date

No reportable events have occurred in the period between balance date and the date of signing these financial statements.

19. Members rights and liabilities

Standards Australia Limited is a company limited by guarantee incorporated and domiciled in Australia. Its registered office and principal place of business is Level 10, 20 Bridge Street, Sydney in the State of New South Wales.

In accordance with its Constitution the liability of members in the event of being wound up will not exceed $100 per member. In the event of winding up any surplus net assets can only be distributed to an organisation with similar objects, tax exempt status and constitutional prohibition on the payment of income or property to members. This Constitution precludes the payment of any portion of the company’s income or property by way of dividend, bonus or otherwise by way of profit to any member.
Member Organisations
Current as at August 2008

Standards Australia’s Members are organisations representing various sectors of industry, learned and professional institutions, Federal and state governments and their nominated separate legal entities and other organisations with special interests or skills of value to Standards Australia.