Australia’s independent, not-for-profit developer of Australian Standards®

**Our mission**
To excel in the provision of contemporary, internationally aligned Australian Standards and related services

**Our vision**
To deliver widely recognised and demonstrated value to Australia’s economic efficiency, trade and international competitiveness and to the community’s expectation of a safe and sustainable Australia.

On the cover:
Wynyard Walk connects Sydney’s newest precinct, Barangaroo, to the CBD and commuter hubs.
## Contents

Chairman’s Report ................................................................. 4  
CEOs Report .............................................................................. 6  
Our People ................................................................................ 8  
Our Work .................................................................................. 9  
Year in Review ......................................................................... 10  
Interview with Russell Shephard, AFSM .............................. 22  
Staff Spotlight ......................................................................... 24  
Financial Overview ................................................................. 26  
  Financial Strategy .................................................................... 26  
  Revenue from Royalties ......................................................... 26  
  Investment Objective ............................................................. 26  
  The Investment Year .............................................................. 27  
  Investment Portfolio ............................................................. 27  
  Financial Result ...................................................................... 27  
Directors’ Report ..................................................................... 28  
  Principal Activities ............................................................... 28  
  Directors ................................................................................ 28  
  Company Secretary .............................................................. 28  
  Operating Results ................................................................. 28  
  Review of Operations .......................................................... 28  
  Company Details .................................................................... 28  
  Members' Rights and Responsibilities ................................. 28  
  Strategic Plan ......................................................................... 29  
  Directors’ Roles and Responsibilities .................................... 30  
  Meetings of Directors ........................................................... 32  
  Current Board Profile ........................................................... 32  
  Finance, Risk and Audit Committee ...................................... 32  
  Remuneration and Nominations Committee ......................... 32  
  Standards Development and Accreditation Committee ....... 32  
  Business Transformation Committee ................................... 33  
  Auditor's Independence Declaration .................................... 34  
Financial Statements .............................................................. 35  
  Independent Auditor’s Report ............................................. 36  
  Statement of Profit or Loss and Other Comprehensive Income 38  
  Statement of Financial Position ........................................... 39  
  Statement of Changes in Equity ............................................. 40  
  Statement of Cash Flows ....................................................... 41  
  Notes to the Financial Statements ....................................... 42  
Member Organisations ........................................................... 54
Earlier in the year, the board, executive and senior leadership teams made time to pause and reflect on how Standards Australia can continue to add value to Australian life.

These discussions are not unique to Standards Australia nor will they be unfamiliar to anyone in corporate life. What makes this a different conversation is the pace and rate of change across all elements of our operations.

In these discussions we confirmed our commitment to delivering value to Australia’s economic efficiency, trade and international competitiveness and to the community’s expectation of a safe and sustainable Australia.

We also agreed that how we do this will be very different in five years’ time than it is today. While we cannot know what this future is, we do know it is not the status quo. At no time has there been so much disruption across the diverse communities we serve.

These communities are changing how they interact with institutions. Events like Brexit reflect an attitude very different than that of just a few years ago. Many industries remain under pressure from changing global and domestic conditions. Contributors have less time to give and are therefore asking for their scarce time to be used better and more effectively.

We were of the view that the great but under recognised national institution of Standards Australia needs to continue to deliver trust, outcomes and benefit to its stakeholders in increasingly complex times. This conversation reflects the philosophy and efforts of Standards Australia over the last year.

I am very pleased to be able to report strong financial results this year. These results reflect a discipline in both our operations and investment strategy. Our final result for the financial year saw a 14.2% return on our investment funds and a contribution of 36.1% to our operating expenses from royalty returns from the distribution of our content.

The board remains committed to ensuring the balance between financial security and business investment. Our business investment is directed equally to ensuring we serve our members and stakeholders into the future while maintaining a sustainable operating model. Our business transformation and 2016/2017 Action Plan reflect this position.

The performance of our board committees remains a key contributor to our success. Peter Burn has done an admirable job again this year as Chair of the Finance Risk and Audit Committee.

This year the board established a Business Transformation Committee, chaired by Megan Motto, to guide us through our organisational transformation. The complementary skills and perspectives of Megan Motto, Michelle Fitzgerald and Peter Burn have seen this committee firmly establish itself and we look forward to its continuing oversight of our transformation process.

Our Standards Development and Accreditation Committee has guided us through our standards development work with strong results seen across
our economy. Our flagship work in areas like Industry 4.0 and Blockchain has brought a new level of understanding to the value that standards add to communities. This strongly complements the work in other areas and sectors which although not as high in profile, is just as important to building a productive, safe and sustainable Australia. James Tinslay, who has led this board committee over the last few years, will step down from this position later in 2017 and I take this opportunity to thank James for his commitment in this challenging board role.

I would also like to acknowledge Libby Christie for her work on the Rumereations and Nominations Committee. Libby’s term on the board comes to an end later this year and this is my first opportunity, but certainly not the last, to thank Libby for her dedication and commitment as a Director of Standards Australia.

I am pleased with the level of engagement with members which is a key priority for the board. I would like to thank our Councillors in particular for their demonstrated commitment to Standards Australia, their feedback, and their frank and robust advice. Their ongoing support for the board and executive team does not go unrecognised.

The year ahead will see us working to transition away from our legacy distribution arrangements that have been in place since the divestment of our commercial business in 2003. The community priority for access to Australian Standards is of utmost importance for us, and we will continue to do everything we can to ensure our future arrangements are set in an open and transparent way with our public purpose at their core.

We will also look at any future distribution arrangements through the contributor and stakeholder lens as much as through ours. There is little value in a Standards Australia that cannot connect to its communities or deliver information at the right time, in the right way and to the right people.

Richard Brooks  
Chairman
I am incredibly proud of what our team has achieved this year. Our staff of just over 100 support more than 2,500 organisations and 5,000 experts who work together to make Australian life better. Our 74 members and 2,500 nominating organisations lead standards agendas across 400 different areas of defined standards activity. Our staff are also active in taking Australia to the world and work with 165 other countries’ members at ISO and IEC.

Our incredible team has spent this year turning vision into action. We have worked to keep Australian communities safe through work on big infrastructure like bridges, energy networks and structural engineering codes. We have invested in the health and community sectors, building a framework for patient-centric digital healthcare, in medical devices and consumer unit pricing. We have focused on Australia’s energy needs building an action plan to transition to a secure, clean energy future.

We have tackled problems in fire protection and refrigeration safety and been a driving force with partners in government and industry realising the benefits of the industrial internet with our Industry 4.0 stewardship work.

We have also helped realise the joint ambitions of colleagues in Australia and across the globe laying out and committing to an international program for blockchain standards development. Our work has not only raised the profile of blockchain but established a development program with Australia at the centre.

With ASEAN economies growing at over 4.5% since 2014, we have worked with our regional partners to build a work plan that supports the message about the importance of the good use of international standards in our region.

In parallel, we have continued our own organisational transformation built around our core business, focused on productivity, leveraging digital technology to support collaboration. I am exceptionally proud of how the team has delivered on our digital and business
transformation. In less than 12 months we have gone from board approval to first phase implementation, achieving this all on budget and on time.

As Chief Executive, the highlight of the year has been how our team has worked together to solve complex problems, no matter where they sit in our operations. We are one team with common objectives, complementary skills and perspectives.

Our next 12 months will be equally exciting and I look forward to the continued engagement of our partners as we work towards making an even bigger positive impact on Australian life.

We are pleased to be able to present this report. Another year turning vision into action.

Dr Bronwyn Evans
Chief Executive Officer
Our People

Gender
68 Women
41 Men

Senior leaders
13 Women
13 Men

109 staff

Drawn from 2,653 Nominating Organisations
And forming
393 Active Technical Committees
436 Active Subcommittees
256 Active Working Groups

Our work is supported by 4,963 active committee members

Project Manager Steven Cooke demonstrates his team’s publications for toys, high visibility vests, barbecues, sunglasses and more, at a staff briefing in December.
We approved

133
new projects

In progress

369
active projects

Publications snapshot

JUL
AS 5062
Fire protection for mobile and transportable equipment
HB 295 (series)
Product safety framework

SEP
AS 2067
Substations and high voltage installations exceeding 1 kV a.c.

OCT
AS/NZS ISO 14001
Environmental management systems
AS/NZS 5263 (series)
Gas appliances
Refrigerant safety and classification
AS/NZS adoption of ISO 5149 and 817 series

DEC
AS ISO/IEC 38500
Governance of IT for the organization

MAR
AS 5100 (series)
Bridge design

APR
AS 2809 (series)
Road tank vehicles for dangerous goods

MAY
AS/NZS 4200 (series)
Pliable building membranes and underlays

JUN
SA HB 163
Digital Hospitals Handbook

Our Work

Active Projects by Sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy and Electrotechnology</td>
<td>99</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>84</td>
</tr>
<tr>
<td>Manufacturing and Processing</td>
<td>55</td>
</tr>
<tr>
<td>Public Safety, Administration Business Management</td>
<td>40</td>
</tr>
<tr>
<td>Consumer Products and Services and Safety</td>
<td>27</td>
</tr>
<tr>
<td>Water and Waste Services</td>
<td>26</td>
</tr>
<tr>
<td>Health and Community Services</td>
<td>23</td>
</tr>
<tr>
<td>Communications, IT and e-Commerce Services</td>
<td>19</td>
</tr>
<tr>
<td>Transport and Logistics</td>
<td>15</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing and Food</td>
<td>13</td>
</tr>
<tr>
<td>Education</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
<td>132</td>
</tr>
</tbody>
</table>

Production Figures

2016–17

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Standards</td>
<td>5,513</td>
</tr>
<tr>
<td>Amendments</td>
<td>1,317</td>
</tr>
<tr>
<td>Handbooks</td>
<td>241</td>
</tr>
<tr>
<td>Technical Specifications and Reports</td>
<td>167</td>
</tr>
<tr>
<td>Supplements</td>
<td>89</td>
</tr>
<tr>
<td>Miscellaneous products and publications</td>
<td>24</td>
</tr>
<tr>
<td>Rulings</td>
<td>21</td>
</tr>
<tr>
<td>Reconfirmed Standards</td>
<td>779</td>
</tr>
</tbody>
</table>

Social media followers:

Facebook: 16% up
LinkedIn: 34% up
Twitter: 17% up

Project duration

Average 18.5 months
Target 17.5 months

Of the 214 Australian Standards, 45% were joint with New Zealand.
Year in Review

Turning vision into action to deliver even more value to the Australian economy.

Presented by the executive team, from left: Adam Stingemore, Adrian O’Connell, Dr Bronwyn Evans, Kareen Riley-Takos and Varant Meguerditchian.
July

Setting the foundation for our business transformation

Following approval in June of our business transformation program, we started work to set the foundations for the future with a digital repository.

With our partner, MarkLogic Corporation, we launched our first project to build a platform to host our content library and at the same time started work on tools that would take some publishing processes from months to moments.

“For us, for our stakeholders and for Australia, being able to manage, curate and adapt our content in an agile way is so important. This will transform our ability to continue to support the Australian community with solutions in existing sectors, and increasingly, across new sectors.”
—Dr Bronwyn Evans

August

Investing in our next generation

Our Young Leaders Program brings together high potential contributors to give them exposure to forums that are usually the domain of seasoned professionals. It gives them a voice that helps us understand their needs as contributors.

This year Standards Australia staff mentored our Young Leaders, creating a strong dialogue about what our next generation contributors value, need and want. This helps us build a standards system ready for tomorrow.

Two Young Leaders alumnae, Alexandra Price and Jemima Jackson, were selected to attend the IEC Young Professionals Program during the 80th IEC General Meeting in Frankfurt, Germany.

“You can create change and realise your personal and professional goals with leaders who will encourage and enrich the experience.”
—Rachel Nicoll, program participant
An open dialogue with our stakeholders

Now in its fourth year, our executive and senior leadership team hosted nominating organisation forums to hear directly and openly from stakeholders about what would make their work easier and, just as importantly, we took the time to understand their roles.

The 2016 conversation saw us focus on how we manage communication at the right levels, how our governance model can evolve to match emerging trends for contributors and how we should collaborate to manage existing work and lead standards development in new areas.

Australian impact on the international stage

During the 39th ISO General Assembly in Beijing, Dr Bronwyn Evans was appointed Vice-President (Finance) of ISO. This position allows us to give back to the international standards system and allows us to play a role ensuring the international standards system is sustainable and has utility for Australia. Together with the governance roles held by Australian representatives across the ISO and IEC, our contribution gives us the voice we need to help shape transformation.

Then Federal Minister for Industry, Innovation and Science, the Hon Greg Hunt MP, welcomed the appointment.
October

Connecting Australian industry to the world

Australian expert contribution to international standards development is increasingly important for us.

As governments look to adopt international standards wherever they can, supporting Australian industry and governments to participate has never been more important. Attending and hosting key international meetings allows Australia to adopt standards to help manage Australia’s Montreal Protocol obligations, lead global standards in IT governance and shape work in rare earth standardisation and many other vital economic areas.

November

Bringing leaders together to drive change

Standards Australia brought 60 leaders together to talk about “digital in 60 minutes”. No specific sector or theme—just common opportunities, risks and challenges.

Understanding that digital means more than taking paper and making it electronic, a panel discussed the broad issues coming through the presentations.

The event confirmed that in order to achieve strong digital outcomes, true collaboration and a testing of views are necessary and that the customer (whoever that is) must always come first.

Panellists included: Ron Cruickshank, Director, WSP Digital; Dr Bronwyn Evans CEO Standards Australia; Teresa Corbin, CEO, Australian Communications Consumer Action Network; Neil Savery, General Manager, Australian Building Codes Board; Michelle Fitzgerald, Chief Digital Officer and Smart City Manager, City of Melbourne and Standards Australia Director
December

Supporting Australia’s steel future

After significant progress on structural steel and welding standards, Standards Australia worked closely with industry to complete an extensive work program on the post-design phase of structural steel projects. The Australian and New Zealand Standard AS/NZS 5131:2016, Structural steelwork—Fabrication and erection, helps to mitigate risk in construction and infrastructure projects and was well received by industry and government alike.

The standard is an important part of the industry developed National Structural Steelwork Specification which will be the implementation tool for improving the quality of construction in Australia through this work.

“...Our longstanding work and involvement in traditional areas of activity remains core to our operations.”
—Dr Bronwyn Evans

February

Accelerating gas standards development

Australia’s downstream gas sector has recognised the need to look at how it manages its contribution to standards development and work smarter to get work done. The sector considered how it could manage its standards footprint and drive a portfolio maintenance program that met industry, government and community needs. This conversation saw our technical committee AG-013, Components used for Gas Appliances and Equipment, complete 11 projects in under two years.

The work of AG-013 represents only one of 27 active committees in the gas sector addressing longstanding industry challenges.
Working with regional partners

Building regional capacity and strong partnerships with international colleagues remained important through the year. Bilateral discussions are an essential part of our ISO, IEC and Pacific Area Standards Cooperation engagement and help us align efforts around project work and connect our Australian stakeholders with their international colleagues.

We worked with Standards New Zealand on the transition of standards writing arrangements in New Zealand. Additionally, this year we’ve spent time together on capacity building work. Standards Australia and Standards New Zealand remain committed to the partnership.

Through the year we were also pleased to host senior delegations from the Gulf Cooperation Council and from our Indonesian counterparts, Badan Standardisasi Nasional, to scope future project work as part of the Indonesia Australia–Comprehensive Economic Partnership Agreement.

Roadmapping Australia’s energy future

As part of a broader program supported by the Council of Australian Governments (COAG) Energy Council, we worked with industry, government and community leaders to build a roadmap to support energy storage roll out across Australian residential markets.

The Hon Josh Frydenberg MP, Federal Minister for the Environment and Energy and Chair of the COAG Energy Council, explained how standards are an important enabler for the effective roll out of energy storage systems in Australia.

Now completed, the roadmap is driving project work to help ensure effort aligns with outcomes at a technical and policy level.

“This roadmap is an important step forward in enabling the uptake of this emerging technology to support a transforming energy market.”

—Josh Frydenberg MP, Federal Minister for Environment and Energy, Chair COAG Energy Council
March

Supporting critical infrastructure through bridge design

Australian infrastructure must accommodate some of the largest freight vehicles in the world.

With support from Austroads, AS 5100:2017, Bridge design (known as the Bridge Code) was reviewed and revised by experts from all parts of industry to meet the nation’s need for more durable and economic bridge infrastructure. Broad issues like sustainability, changes to the Australian climate, safety-in-design and international research all influenced the project.

The new code includes two additional parts dealing with rehabilitation and strengthening of existing bridges and timber bridges.

Chair of the technical committee, Adjunct Professor Wije Ariyaratne, said the series will result in consistent, durable, sustainable and value for money designs and technical management of bridges.


“I am proud to say that the new Bridge Code will be one of the most comprehensive bridge design codes in the world.”
—Adjunct Professor Wije Ariyaratne, Chair, BD-090, Bridge Design

March

Connecting the Fourth Industrial Revolution

Industry 4.0, or ‘the Fourth Industrial Revolution’, connects production with ICT, opening up opportunities for more flexible, efficient and resource-saving manufacturing.

Australia’s Prime Minister, the Hon Malcolm Turnbull MP, invited Standards Australia to join the Industry 4.0 Taskforce to lead the Reference Architectures, Standards and Norms Working Group.

Working with key stakeholders from government and industry, Standards Australia produced a Recommendations Report outlining the forward plan for standards development activities.

Work continues through Australian and international streams.

CEO’s from some of Australia’s leading companies, industry bodies and research institutions met at the Industry 4.0 CEO Forum

“Rapidly advancing digital technologies afford us an opportunity to supply high value products and services into an increasingly interconnected global marketplace. The development of global standards are a vital part of the equation.”
—Arthur Sinodinos AO, Federal Minister for Industry, Innovation and Science
Steering the future of blockchain

Blockchain is predicted to revolutionise the way we conduct financial transactions. Standards will help establish market confidence to support this new technology.

To advance this initiative, Standards Australia hosted the world first meeting of the technical committee ISO/TC 307, Blockchain and Distributed Ledger Technology (established last year after Australia’s successful proposal). More than 80 technical experts from 17 countries attended to develop a plan for future working groups and refine the global framework.

The meeting was followed by Standards Australia’s International Blockchain Conference. Experts from seven countries presented on the future of blockchain technologies and the role standards will play.

Building a modern learning platform for our people and contributors

Our commitment to learning took another step forward with the roll out of the Standards Australia Academy in April 2017.

An online learning platform, it includes programs ranging from tutorials to videos and podcasts, and access to face-to-face learning events and knowledge networks. Why? Because timely access to learning materials allows both staff and contributors to deliver better outcomes.

The Academy addresses standards development and other transferable business skills. The Academy will be rolled out to contributors later this year.

"The Academy is a place of continuous learning for all employees and stakeholders to develop strong skills, knowledge and capabilities for standards development, and beyond.”

—Kate Fraser, Training Manager, Standards Australia
May

Helping make the built environment (and standards) accessible

Efficient wayfinding contributes to an easy-to-navigate and predictable built environment for all, and particularly those with vision impairments or mobility or activity limitations.

As part of our commitment to safety and accessibility, Standards Australia released a draft of AS 1428.4.2, Design for access and mobility – Wayfinding, for a second round of public comment to ensure it effectively meets the community’s needs.

With great support from key stakeholders who helped us connect the technology to customer outcomes, this was also one of our first standards to be produced through our new digital tools, enabling the content to be accessible for people with print disabilities.

May

Embracing change in distributed energy

To support the electricity networks transition to an ecosystem of ‘prosumers’, Standards Australia brought key stakeholders together for a conversation on how to get to a more distributed energy grid.

The resulting Roadmap for Standards and the Future of Distributed Electricity was delivered to Energy Networks Australia (ENA), our co-resourcing partner, to coincide with the release of the ENA/CSIRO Roadmap for Electricity Network Transformation.

The strategic approach of connecting policy discussions to technical work is increasingly driving our development plans in traditional and new areas of work.
Recognising Australia’s standards champions

Every year five awards are presented to recognise those that go above and beyond to help Australia achieve its economic and social objectives through standards development.

The W. R. Hebblewhite Medal was awarded to Dr Linzi Wilson-Wilde for her key contributions to forensic science standards.

“Communication is key to working effectively to develop contemporary standards.”
—Dr Linzi Wilson-Wilde, W. R. Hebblewhite Medal recipient

2017 Winners

W. R. HEBBLEWHITE MEDAL
Dr Linzi Wilson-Wilde

MERITORIOUS CONTRIBUTION AWARD—INTERNATIONAL
Julie Sloan

MERITORIOUS CONTRIBUTION AWARD—NATIONAL
Kevin Lee

EMERGING LEADER AWARD
Dr Svetlana Bogomolova

OUTSTANDING COMMITTEE AWARD
AG-013, Components used for Gas Appliances and Equipment (Ross Jamieson – Chairperson)

From left: Kevin Lee, Ross Jamieson, Dr Bronwyn Evans, Dr Linzi Wilson-Wilde, Julie Sloan, Richard Brooks (Absent: Dr Svetlana Bogomolova)
Helping communities and building wealth through APEC

Our engagement through Asia Pacific Economic Cooperation, or APEC, has continued to grow in importance. Our work supports harmonisation of standards in the region and allows us to look at different elements through a rolling work program.

This year, in partnership with the Commonwealth Department of Industry, Innovation and Science, we held an APEC workshop to explore the role of standards and innovation for driving APEC’s “Silver Economy”, or the opportunities that come from an ageing population.

The workshop was attended by key stakeholders from 15 APEC member economies and followed the release of the APEC Silver Economy Issues Paper published by Standards Australia earlier in the year.

A recommendations report was published in June 2017 and submitted to the APEC Sub-Committee on Standards and Conformance.

The percentage of population over age 60 is projected to increase.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2015</td>
<td>12.3%</td>
</tr>
<tr>
<td>Year 2030</td>
<td>16.5%</td>
</tr>
<tr>
<td>Year 2050</td>
<td>21.5%</td>
</tr>
</tbody>
</table>

Connecting patient “customers” to hospitals

Australian experts identified the need for a consolidated reference to guide health systems as the sector moves towards rolling out a true digital environment for the management of patient care through a digital hospital system.

As part of a broader work program, Standards Australia worked with stakeholders to develop SA HB 163:2017, Digital Hospitals Handbook.

The handbook was developed with the support of the Australian Health Ministers’ Advisory Council (AHMAC) and the National Health CIO Forum (NHCIOF).

By focusing on people and outcomes, the handbook links patient care to technology and outcomes and has been welcomed by private and public health systems.

“As the first of its kind in the world, the Digital Hospitals Handbook showcases Australia’s competitiveness and capacity for innovation.”

—Dr Bronwyn Evans
Building our own digital future through an agile core

Less than 12 months from the start of our digital transformation, we had moved towards implementation of three key elements of our first phase: the roll out of our digital repository; workflow tools to streamline development work; and the implementation of the ISOlutions balloting tool for international balloting workflows.

What have we delivered?

**SIM**
The Standards Information Management (SIM) portal is our new online library of standards. SIM significantly reduces administrative tasks by providing committees with direct access to the standards they need. It is the foundation for the content development and management systems of our digital transformation.

**Simplified drafting template**
To improve our publishing abilities, we developed an easy to use document for drafting new standards based on international best practice. Committee members can focus on the content without the many layout options, minimising the back and forth between committees and our publishing services team.

**ISOlutions**
ISOlutions is an e-balloting tool for ISO mirror committees. It simplifies the way our committee members access their ISO balloting information with everything on one centralised, intuitive platform. It also ensures greater transparency for national consensus building.

Year in Review

“To our members, contributors, staff and partners, thank you for your time, service and commitment this year.”

—Dr Bronwyn Evans
After serving in the Australian Capital Territory Fire Brigade for almost 30 years, Russell Shephard now manages standards for the Australasian Fire and Emergency Services Authority Council (AFAC), the peak body representing the interests of fire, emergency services and land management agencies in Australia and New Zealand.

In 2008, Russell was awarded the Australian Fire Services Medal (AFSM) for his contribution to the development and implementation of standards for fire and emergency services personnel.

Since joining his first committee he has witnessed firsthand many changes to standards development in his sector, from firefighters establishing their own committee to countries moving to adopt harmonised international standards.

Standards Australia: How did you first start working in standards development?
Russell Shephard: I have been working with Standards Australia for over 20 years. My first experience was participating in the development of an Australian Standard for firefighters’ wildland helmets. This was published in 1997.

Shortly after this, as a member of the occupational protective clothing committee, we embarked on the development of the first Australian Standard for firefighters’ protective clothing to be used for structural firefighting. This was published as an Interim Standard in 2001 as AS/NZS 4967, Protective clothing for firefighters—Requirements and test methods for protective clothing used for structural firefighting.

The document built on the International Standard at the time (ISO 11613, Protective clothing for firefighters—Laboratory test methods and performance requirements). The development of these standards was crucial to fire and emergency services.

Finally we could see a suite of standards that addressed specific requirements for our industry.

It goes without saying that it is an honour to be a part of this process, developing and revising standards that meet our sector’s needs, both in Australia and internationally through ISO.

SA: What has kept you involved for over 20 years?
RS: Momentum. After the success of the Australian publications we began to branch out into the international space. Australia was made Secretariat of the international committee ISO/TC 94, Personal safety—Protective clothing and equipment, and hosted their first meeting in Adelaide. At this meeting the idea was raised to create a subcommittee to focus solely on firefighters’ personal protective equipment.

As can happen with standards work, there were different views on whether there was a need.

We argued that firefighters are a unique group of workers and personal protective equipment as a primary means of protection against all hazards they may encounter on the job. Other industries have the ability to re-engineer their tasks or processes to either control or eliminate the risk altogether. We maintained the view that other industries use personal protective equipment as a last resort and can withdraw workers from hazardous zones at any time. However, such hazardous zones
and environments are the place of work for emergency service personnel. Not all countries agreed.

There was significant debate but Australia and a number of other countries stood their ground on behalf of firefighters and emergency personnel. In the end the subcommittee ISO/TC 94/SC 14, Firefighters’ personal equipment, was created to concentrate on the specific needs of the fire and emergency services sector.

SA: What major changes are affecting fire and emergency services?
RS: This year we have seen the lives lost from the Grenfell Tower building fire in London. This devastating event, along with many recent terrorist attacks and natural disasters across the world has our industry reconsidering its ways. Some aspects will require significant change.

We must grow from these experiences and come together through avenues such as Standards Australia, ISO, and international fire and emergency services forums; any avenue that allows fire and emergency services to engage with other industry leaders and learn from experience.

We also need to develop methods that equip us to handle such tragedies in the future. In the past we responded to emergencies such as structure fires, motor vehicle accidents, building collapses and medical emergencies. These kinds of incidents will continue to keep us busy. However, we must be prepared for situations that are not so straightforward, as demonstrated recently in the United Kingdom. The future for emergency services presents many challenges and we must work together.

SA: How can standards continue to support fire and emergency services in Australia and internationally?
RS: Standards Australia and ISO facilitate in bringing our industry together; whether it is for sprinklers in buildings, construction in bushfire prone areas, personal protective equipment or other relevant topics for us. Standards support change by bringing the subject matter experts together to collaborate, learn from one another and develop standards to meet our unique industry needs.

Governments and regulators should turn to standards more to help create consistent, reliable legislation. It is important to ensure that products manufactured overseas and brought into our country are fit for purpose through conformance with the relevant Australian or international standard.

SA: From your perspective as both a Councillor and committee member, how can Standards Australia be more effective in achieving its mission?
RS: Standards Australia is very fortunate to have such a capable team guiding us forward. New digital initiatives are being introduced, such as SIM, the new online catalogue and the implementation of ISOlutions for e-balloting. The digital transformation strategy will help take the organisation into the future. However, leadership and strategy are only one part of the puzzle. To achieve any vision takes a great team, and that team includes all of the members that make up Standards Australia’s committees.

To achieve any vision takes a great team, and that team includes all of the members that make up Standards Australia’s committees. Standards Australia must continue to work with committees, both nationally and internationally, to find solutions that will assist them in carrying out their important role.

The end result is worth it. The committees contribute to standards that impact the safety of our community and other communities around the world that may not have access to their own national standards. The work we do enhances the quality of life of many, and ultimately this is the vision that leads us to success.
Staff Spotlight

Neidra Motha
Administration Services Coordinator, Business Services

Why do you choose to work at Standards Australia?
From day one Standards Australia has demonstrated an inclusive culture, from welcoming me to the organisation to providing ongoing learning opportunities in my role. You know an organisation is inclusive when the CEO notices you’re a newbie and introduces herself to you in your first week on the job! Trust me, you don’t get this culture in very many organisations.

Why is your role at Standards Australia important?
My role mainly sits within Standards Information Services (SIS), similar to a customer service team. As the first point of contact for the general public, I am almost that of a ‘gatekeeper’ to our standards. I also assist with copyright and contracts work within the legal team, which involves a lot of coordination with other national standards bodies as the “friendly neighbour”.

Which current project will have the biggest impact on your role?
The office floor relocation will result in all staff being on the same level. Although it sounds minor, this will have a big impact on my role. I need to stay connected to all areas of the business because of the broad range of enquiries we receive in SIS and copyright. Old habits die hard, and my experience in key relationship management has taught me that walking over to someone’s desk is far more effective than sending an email.

How could Standards Australia be a better workplace?
Sharper systems and processes—there are still ways for us to be simpler, faster and better overall.

What are you looking forward to in the upcoming year at Standards Australia?
I am looking forward to seeing how the distribution of Australian Standards changes in the near future. This is an exciting time to be with the organisation as we prepare for a digital future.

Describe the company culture at Standards Australia in three words:
“Inclusive, ethical, fun”
Describe the company culture at Standards Australia in three words:

“Diverse, collaborative, ambitious”

Daniel Chidgey
Senior Standards Development Manager, Standards Development

Why do you choose to work at Standards Australia?
I have had a range of opportunities across different divisions of Standards Australia which has provided me with extensive knowledge on how to help our stakeholders achieve outcomes through our process. I enjoy applying these skills when working with a diverse range of stakeholders to deliver on important outcomes. I also get to work with creative, inspirational and talented people who genuinely care about continuing Standards Australia’s success.

Why is your role at Standards Australia important?
I am responsible for the Standards Development teams and the delivery of national and international standards development projects, international balloting and committee records. I help ensure our core business is delivering value and meeting stakeholder needs, while looking for ways to evolve the standardisation process. Before this, I was on the engagement side helping Australian industry achieve outcomes sometimes in high stakes projects. For me, this is what it’s all about. Helping Australia succeed in my own small way.

Which current project will have the biggest impact on your role?
We are building a contributor dashboard to help our contributors work smarter. Although it may not directly affect my role, it will have the biggest impact on my end goal. The dashboard will provide a better experience for our contributors and positively affect productivity. It will hopefully create a single entry point for all the relevant information, documents, functions and more for our contributors.

How could Standards Australia be a better workplace?
I would like to see us implement a comprehensive recognition and reward program to help shape a high performance organisation by recognising the high achievements of our staff.

What are you looking forward to in the upcoming year at Standards Australia?
The introduction of our “incubator” will bring the agility thinking of a startup to our organisation. The incubator will allow us to think big, challenge the status quo and rejuvenate our processes for a livelier and more efficient Standards Australia.
Financial Overview

As an overview of the statutory financial report we set out our summary of the financial performance for the year and the issues involved with the investment portfolio.

Financial Strategy
The over-arching financial objectives, strategies, activities and KPIs are set out in the Strategic Plan Summary in the Directors’ Report.

Standards Australia’s long-term financial viability is dependent on returns from its investment portfolio, and to a lesser extent, royalties from the sale of standards publications.

The principles of the current financial model are:

- To ensure that Standards Australia is financially sustainable in the short, medium and long-term, so that we can fulfil our objectives as Australia’s peak standards body, in perpetuity.
- To acknowledge in our business planning that investment returns will fluctuate from year to year and therefore short-term operating cost levels and performance targets should align with average medium and long-term investment return expectations.
- To maximise long-term investment returns through professional active management, and by optimising the balance between risk and return.
- To manage the investment portfolio using an appropriate policy of annual investment income retention.

The strategy is achieved through a measured approach to sustainable annual operating budgets, and then ensuring achievement of the budget.

The board is committed to ensuring that the resources available are highly focused on achieving excellence in our core activity of developing internationally aligned Australian Standards in the national interest.

Revenue from Royalties
Royalties are received from the sale of standards publications, principally from SAI Global Pty Ltd, and to a much lesser extent from Standards New Zealand.

The Publishing Licence Agreement with SAI Global expires in November 2018 and is subject to an option to renew on market terms in certain circumstances for a further five years. Irrespective of whether the agreement is renewed with SAI Global or if distribution is contracted with other parties, it is expected that the market royalty returns will generate a significantly higher level of revenue from November 2018.

Investment Objective
The objective is 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.

The CPI plus 1% component of the investment return is reinvested back into the portfolio to ensure that it maintains its real value. This means that future returns are able to meet inflated costs in the future.

The 4% component of the investment return is the approximate amount of investment earnings that are used to fund annual operating expenses.
The Investment Year

Global economic growth continued to improve over the financial year. The United States economy has continued on a steady growth path as the United States Federal Reserve has cautiously raised short-term interest rates over the past year while the pickup in global growth from early 2016 has broadened across developed and emerging economies. Investment markets have generally delivered strong returns for the financial year.

Highlights of market performance for the year include:
- Australian equities markets (S&P/ASX 300) returned 13.8%.
- Overseas equities returned by 21.2% on a hedged basis, and 15.5% unhedged.
- The Australian commercial property market benefited from strong capital growth supported by record low interest rates and a firming of tenant demand particularly in Victoria and New South Wales.
- Australian cash rates remained at 1.5% for most of the year.
- The AUD rose 3.0% against the USD during the year.

Investment Portfolio

The board’s policy is that the portfolio is actively managed by specialist investment managers in each asset class. With the support of JANA Investments Advisers, the Finance Risk and Audit Committee closely monitors investment performance and market conditions to ensure the portfolio is positioned appropriately for the prevailing economic environment. There were no changes in the long-term strategic asset allocation during the year. There was a minor adjustment to the medium-term asset allocation by reducing exposure to unlisted property and increasing the portfolio exposure to alternative investments.

The portfolio is currently invested with 14 actively managed wholesale investment funds, plus a portion of the portfolio held directly in bank term deposits, in total $275 million at 30 June 2017. At 30 June 2017 the investment portfolio is structured as follows:

<table>
<thead>
<tr>
<th>Sector</th>
<th>$M</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian equities</td>
<td>79</td>
<td>29</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>47</td>
<td>17</td>
</tr>
<tr>
<td>Property</td>
<td>50</td>
<td>18</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>Alternatives—growth</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Alternatives—defensive</td>
<td>33</td>
<td>12</td>
</tr>
<tr>
<td>Cash and term deposits</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The below chart depicts the actual value of the investment portfolio compared to the target value. The target value is the value of the initial funds at 30 June 2004 ($161.1 million) accumulated by CPI + 1% p.a.

- Please note that the portfolio values as at 30 June 2017 do not capture distribution amounts paid out in July 2017.

Financial Result

The Statement of Profit or Loss and Other Comprehensive Income on page 38 of the Annual Review is restated below to differentiate between operations and investment activities:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>11,393</td>
<td>8,466</td>
</tr>
<tr>
<td>Expenses</td>
<td>(22,833)</td>
<td>(19,317)</td>
</tr>
<tr>
<td><strong>Operations Deficit</strong></td>
<td>(11,440)</td>
<td>(10,851)</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managed funds distributions and interest</td>
<td>18,907</td>
<td>15,167</td>
</tr>
<tr>
<td><strong>Net Profit (Reported P&amp;L)</strong></td>
<td>7,467</td>
<td>4,316</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revaluation of investments at year end</td>
<td>17,874</td>
<td>1,772</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>25,341</td>
<td>6,088</td>
</tr>
</tbody>
</table>
Directors’ Report

The directors present their report on Standards Australia Limited for the year ended 30 June 2017.

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, and investment. There has been no significant change in the nature of these activities during the past year.

Directors
The directors in office for the whole of the year and up to the date of this report are set out on page 30 and page 31, together with their qualifications, experience and special responsibilities.

Company Secretary
The company secretary at the time of reporting is Adrian O’Connell.

Operating Results
The profit of Standards Australia Limited for the year was $7,467,000 (2016 profit $4,316,000).

Review of Operations
The principal activities of Standards Australia Limited have been fulfilling the role as Australia’s peak standards body and the development of Australian Standards.

The company has a diversified investment portfolio which generates earnings that contribute to meeting the operational costs of standards development.

Company Details
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, New South Wales, Australia.

Members’ Rights and Responsibilities
In accordance with the company’s 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 a constitutional prohibition on the payment of income or property to members. The 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.
Strategic Plan
In seeking to meet the strategic objectives of the company, the board has prioritised the following activities this year.

Reputation and Brand
- Committed to investment in a strategic capability upgrade across engagement, stakeholder communications and standards advocacy
- Active participation in regional and international activities to maintain and increase Australia’s relevance as a leading not-for-profit national standards body
- Continued investment in project prioritisation and selection and an increased investment in new and emerging areas of activity

Engagement and Performance
- Realignment of functional responsibilities to empower business and digital transformation initiatives
- Continued the roll out of a whole of business transformation agenda with an end-to-end focus on productivity and collaboration
- Continuous improvement initiatives embedded across all aspects of operations

Finance and Governance
- Continued focus on the financial sustainability of the organisation as a key part of the investment management strategy
- Business transformation activities managed against key principles to ensure organisational sustainability from governance and financial perspectives

People and Culture
- Increased internal communications capability to ensure staff alignment with transformation activities
- Investment in senior leader and executive team capability
- Committed to cross functional alignment
Directors’ Roles and Responsibilities

Richard Brooks  
B Ec., FCPA, FAICD

CURRENT POSITIONS:  
Managing Director, Tyne Solutions Pty Ltd, a provider of business and association management services.

FORMER POSITIONS:  
Chairman, Council of Small Business Organisations of Australia; Executive Director, Timber Merchants Association, Victoria; Co-Chairman, Timber Industry Superannuation Scheme, Member, Mt. Buller and Mt. Stirling Alpine Resorts Management Board.

SPECIAL RESPONSIBILITIES:  
Board Chairman; Member, Finance, Risk and Audit Committee; Member, Remuneration and Nominations Committee.

Peter Burn  
B Ec (Hons), Ph.D

CURRENT POSITIONS:  
Head of Influence and Policy, Australian Industry Group; Director, Industry Super Australia; Alternate Director and Investment Committee Member, Australian Super; Member, Shareholders Advisory Board of IFM Investors Pty Ltd; Member, Research Impact Advisory Board, Australian Technology Network.

FORMER POSITIONS:  
Director (Policy), Business Council of Australia; Graduate Economist, Commonwealth Treasury; various academic positions, Economics Department of the University of Newcastle and the University of Queensland.

SPECIAL RESPONSIBILITIES:  
Chairman, Finance, Risk and Audit Committee; Member, Business Transformation Committee.

Libby Christie  
BA (History/Ed), Grad Dip Adult Ed, MAICD

CURRENT POSITIONS:  
Executive Director, The Australian Ballet; Chair, State Orchestra Victoria.

FORMER POSITIONS:  
Executive Director (Arts Funding), Australian Council for the Arts; Managing Director, Sydney Symphony; President, Monster Asia Pacific, TMP Worldwide; Managing Director, Business and Government Marketing, Telstra; National Government Sales Manager, Optus; various senior roles, Institute of Technology and Canberra CAE.

SPECIAL RESPONSIBILITIES:  
Chair, Remuneration and Nominations Committee.
Michelle Fitzgerald
B Com. (Hons), GAICD

CURRENT POSITIONS:
Chief Digital Officer and Smart City Manager, City of Melbourne.

FORMER POSITIONS:
Partner, Customer and Digital Consulting, PwC Australia; various senior consulting roles, Accenture UK and Andersen Consulting Australia; Member, Melbourne Sub-Committee Women in Banking and Finance; Director, Australia-China Business Council (Victoria Division); Director, Nutrition Australia (Victoria).

SPECIAL RESPONSIBILITIES:
Member Finance, Risk and Audit Committee; Member, Business Transformation Committee.

Megan Motto
BA/Bed, MA (Comms Mgt), GFAICD

CURRENT POSITIONS:
CEO, Consult Australia; Councillor, Standards Australia; Councillor, Australian Chamber of Commerce and Industry; Councillor and Treasurer, Australian Sustainable Built Environment Council; Member, NSW State Advisory Council for the Committee for Economic Development of Australia; Director, Next Gen & Co.

FORMER POSITIONS:
Director, Australian Construction Industry Forum; Director, Built Environment Design Professionals; Director and Councillor, NSW Business Chamber; Member, Commonwealth Procurement Consultation Committee.

SPECIAL RESPONSIBILITIES:
Member, Standards Development and Accreditation Committee; Chair, Business Transformation Committee.

David Singleton
BSc, MEngSc, FTSE, HonFIEAust, FICE, FAICD, MPIA

CURRENT POSITIONS:
Chairman, Infrastructure Sustainability Council; Council of Swinburne University of Technology; Chair, Smart Cities Research Institute, Swinburne University of Technology; Director, Future Business Council.

FORMER POSITIONS:
Group Board Member and Director, Arup Group; CEO and Chairman, Arup Australasia; Chair, Standards Australia Buildings Standards Sector Board; Chairman, Engineers Australia’s College of Leadership and Management; Director, Australian Construction Industry Forum; Director, Cooperative Research Centre for Construction Innovation; President and Chair, Association of Consulting Engineers Australia; Director, Association of Consulting Engineers Australia; Chair, National Engineering Registration Board.

SPECIAL RESPONSIBILITIES:
Member, Finance, Risk and Audit Committee.

James Tinslay
BScEng, MAICD

CURRENT POSITIONS:
Director, JCT Advisory Pty Ltd; Executive Director, Business Group Australia; Director, ECA Training Pty Ltd; Director, Wine and Food Society of NSW.

FORMER POSITIONS:
Chief Executive Officer, National Electrical and Communications Association; Director, Australian Cabling Registration Services Pty Ltd; Councillor, Australian Chamber of Commerce and Industry; Director, Australian Construction Industry Forum Limited; Chair, NSW Electrotechnology Industry Training Advisory Board Pty Ltd; Group Manager, Electrotechnology, Standards Australia.

SPECIAL RESPONSIBILITIES:
Chairman, Standards Development and Accreditation Committee; Member, Remuneration and Nominations Committee.
Current Board Profile

The board considers that each of the non-executive directors has the following attributes:

- Time to undertake the responsibilities of the role.
- Unquestionable honesty and integrity.
- A willingness to understand and commit to the highest standards of governance.
- An ability to apply strategic thought to relevant matters.
- A preparedness to question, challenge and critique.
- An understanding or preparedness to develop a thorough understanding of the issues involved in standardisation in Australia and internationally.

Finance, Risk and Audit Committee

The committee’s primary objectives are to assist the board in fulfilling its responsibilities relating to—

- investment strategy;
- risk management;
- compliance with legal and contractual obligations;
- accounting, reporting and internal controls; and
- auditing.

Remuneration and Nominations Committee

The committee’s primary objectives are to assist the board in fulfilling its responsibilities relating to—

- remuneration policy and strategy;
- CEO and director remuneration;
- succession planning and nomination of new directors and other officers;
- applications for new Standards Australia membership;
- nomination of honorary councillors; and
- board and board committee performance.

Standards Development and Accreditation Committee

The committee’s primary objectives are—

- to assist the board in fulfilling its responsibilities as Australia’s peak national standards body and in the development of Australian Standards, which include joint Australian/New Zealand Standards, and related documents; and
- to perform the duties and responsibilities in accordance with the role and powers delegated by the board in relation to the accreditation of Standards Development Organisations (SDOs) to develop and maintain Australian Standards.
In particular, this includes—

- exercise oversight of Standards Australia’s processes, policies and procedures as a developer of Australian Standards and related documents;
- provide process governance for the development of Australian Standards by Standards Australia, and as agreed on a case-by-case basis for other accredited SDOs as required, and to ensure conformance with appropriate processes for the development of Australian Standards;
- determine which projects are resourced by Standards Australia, with reference to published criteria;
- provide guidance on, and if necessary make decisions on, priorities for the development of Australian Standards and other documents in the public interest; and
- provide the final point of process dispute resolution within Standards Australia as a developer of Australian Standards and related documents,

and, pursuant to the role and powers delegated by the board, to—

- accredit SDOs to develop and maintain Australian Standards in accordance with the rules and guidelines in force from time to time.

**Business Transformation Committee**

The committee’s primary objectives are to assist the board in fulfilling its responsibilities relating to the delivery of Standards Australia’s business transformation through—

- oversight of the business transformation funding framework;
- receiving reports and recommendations from the executive team regarding Standards Australia’s business transformation strategy and providing feedback;
- reviewing project proposals in support of the implementation of the business transformation strategy through the business and digital framework;
- providing advice to the Finance, Risk and Audit Committee on the financial impact of the business transformation projects; and
- making recommendations to the board for approval of business transformation projects.

**Auditor’s Independence Declaration**

A copy of the auditor’s independence declaration is included on page 34.

Signed in accordance with a resolution of the directors.

W R Brooks
Chairman

P R Burn
Director, Chairman Finance, Risk and Audit Committee

Sydney, 25 August 2017
DEALERATION OF INDEPENDENCE BY GILLIAN SHEA TO THE DIRECTORS OF STANDARDS AUSTRALIA LIMITED

As lead auditor of Standards Australia Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Australian professional ethical pronouncements in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

Gillian Shea
Partner
BDO East Coast Partnership

Sydney, 25 August 2017
In the directors’ opinion:

a) The financial statements as at 30 June 2017 and notes set out on pages 36 to 53 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
   i) complying with Accounting Standards, the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013), 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 2017, 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.

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

W R Brooks
Chairman

Sydney, 25 August 2017

P R Burn
Director, Chairman Finance, Risk and Audit Committee
INDEPENDENT AUDITOR’S REPORT

To the members of Standards Australia Limited


Opinion

We have audited the financial report of Standards Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion the accompanying financial report of Standards Australia Limited, is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of the Company’s financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor’s report is information included in the Directors Report, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:


This description forms part of our auditor’s report.

BDO East Coast Partnership

Gillian Shea
Partner

Sydney, 25 August 2017
# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td>30,300</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>11,098</td>
<td>10,227</td>
</tr>
<tr>
<td>Finance costs</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>3</td>
<td>574</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>11,152</td>
<td>8,371</td>
</tr>
<tr>
<td><strong>Profit before income tax expense</strong></td>
<td><strong>22,833</strong></td>
<td><strong>19,317</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>1(f)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>7,467</strong></td>
<td><strong>4,316</strong></td>
</tr>
</tbody>
</table>

**Other comprehensive income**

Items that will not be classified to profit or loss:

| Investments revaluation | 12 | 17,874 | 1,772 |
| TOTAL COMPREHENSIVE INCOME |   | 25,341 | 6,088 |

*The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements on pages 42 to 53.*
## Statement of Financial Position

As at 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017 $’000</th>
<th>2016 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
<td>321</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>290</td>
</tr>
<tr>
<td>Other current assets</td>
<td>6</td>
<td>11,860</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>12,471</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets—investments</td>
<td>7</td>
<td>274,627</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>8(i)</td>
<td>1,704</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8(ii)</td>
<td>822</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>277,153</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>289,624</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>9</td>
<td>3,419</td>
</tr>
<tr>
<td>Provisions</td>
<td>10(a)</td>
<td>650</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>11(a)</td>
<td>776</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>4,845</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>10(b)</td>
<td>962</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>11(b)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>962</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>5,807</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>283,817</td>
</tr>
</tbody>
</table>

**Equity**

| 12 | 55,755 | 40,447 |
| 13 | 228,062 | 218,029 |

**TOTAL EQUITY**

| 283,817 | 258,476 |

*The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements on pages 42 to 53.*
<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>7,467</td>
<td>4,316</td>
</tr>
<tr>
<td>Net increase/(decrease) in investment revaluation reserve 12(a),1(b)</td>
<td>17,874</td>
<td>1,772</td>
</tr>
<tr>
<td>Net income and expense recognised directly in equity</td>
<td>17,874</td>
<td>1,772</td>
</tr>
<tr>
<td>Total changes in equity for the year</td>
<td>25,341</td>
<td>6,088</td>
</tr>
</tbody>
</table>

*The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements on pages 42 to 53.*
### Statement of Cash Flows

For the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from operations</td>
<td>9,217</td>
<td>8,378</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(21,933)</td>
<td>(18,741)</td>
</tr>
<tr>
<td><strong>Net cash (outflow) from operating activities</strong></td>
<td>14</td>
<td>(12,716)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for investment securities</td>
<td>(24,619)</td>
<td>-</td>
</tr>
<tr>
<td>Payments for plant and equipment</td>
<td>(1,581)</td>
<td>(406)</td>
</tr>
<tr>
<td>Proceeds from investment redemptions</td>
<td>20,270</td>
<td>(2,600)</td>
</tr>
<tr>
<td>Interest and distributions received</td>
<td>18,822</td>
<td>13,267</td>
</tr>
<tr>
<td><strong>Net cash inflow from investing activities</strong></td>
<td></td>
<td>12,892</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents held</strong></td>
<td>176</td>
<td>(102)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>145</td>
<td>247</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the financial year</strong></td>
<td>4</td>
<td>321</td>
</tr>
</tbody>
</table>

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements on pages 42 to 53.
Notes to the Financial Statements

1. Statement of significant accounting policies

a) Basis of preparation
This general purpose financial report has been prepared in accordance with Australian Accounting Standards, interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the Australian Charities and Not-for-profits Commission 2012, as appropriate for not-for-profit organisations.

The financial report covers Standards Australia Limited (the company) as an individual entity and is presented in Australian currency.

The financial report was authorised for issue by the directors on 25 August 2017. The directors have the power to amend and reissue the financial report.

New and amended standards adopted by the company
The company has applied all new, revised or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards and interpretations did not have any significant impact on the financial performance or position of the company.

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

Reporting basis and conventions
This financial report has been prepared on an accruals basis 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.

Comparatives
Comparative amounts have been restated in the statement of financial position where it results in a more meaningful interpretation of the current year balance for the user of the financial report. This has included a reclassification of $2.3 million in the opening comparative balances from reserves to retained earnings to reflect the nature of the gain in investments as attributable to distributions accrued rather than a change in fair value. The net assets balance of the comparative period has not been affected by these changes.

b) Financial assets
Classification and measurement
The company classifies its financial assets in the following categories: “investments at fair value through other comprehensive income” and “financial assets at amortised cost”. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets at initial recognition.

i) Investments at fair value through other comprehensive income
At initial recognition, the company has made an irrevocable election to recognise the change in fair value of investments in equity in other comprehensive income. This election is permitted for equity instruments that are not held for a trading purpose. The company invests in a portfolio of wholesale managed unit trust funds and bank term deposits which are strategically structured to maximise long term values and returns.

Financial assets at amortised cost
Financial assets at amortised costs are recognised initially at fair value and subsequently measured at amortised costs using the effective interest rate method, less provision for impairment.

These instruments are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and presented within equity in the investment at fair value reserve. When an instrument is derecognised, the cumulative gain or loss is transferred directly to retained earnings and is not recognised in profit and loss.

Dividends or other distributions received from these investments are still recognised in the profit or loss as part of the interest and investments income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the risk and reward of ownership have been transferred.

c) Plant and equipment
All plant and equipment are stated at historical cost less depreciation and impairment. Depreciation is calculated using the straight line method over the plant and equipment’s expected economic life. Depreciation rates are based on the following useful lives:

- Plant, equipment and furniture: 5 years
- Computing equipment: 4 years
- Leasehold improvements: over term of lease

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Impairment of plant and equipment
The carrying values of all plant and equipment are reviewed for impairment when events or changes in 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 of disposal and value-in-use.

d) Intangible assets
Intangible assets include developed software and other capitalised costs associated with the digital transformation project being undertaken by the company.
Intangible assets are accounted for using the cost model, whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives over a three year period. The residual balances of the intangible assets are reviewed each reporting date.

f) 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 wholly settled within 12 months of the reporting date, together with benefits arising from wages and salaries are recognised as current liabilities and are measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities and are measured at the present value of the estimated future cash outflows to be made for those benefits.

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

g) 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.

h) 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 $1,000, or in certain cases to the nearest dollar.

i) Revenue
Revenue is measured at the fair value of the consideration received or receivable.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity, and specific criteria have been met for each activity as described below.

Investment distributions income
Investment distributions from managed funds are recognised as income in the period that entitlement is established on an accruals basis.

Royalty revenue
Revenue from royalties is recognised as income when received.

Grant revenue
Grants from the government and other organisations are recognised at their fair value when grant money has been received and the company comply with all service obligations and conditions attached to the grant.

Externally funded projects
Income from externally funded standards development projects is recognised based on contractually agreed milestones. This is a change from the prior year where revenue was recognised according to the proportion of the total project work completed by reference to services performed as a percentage of total services required for the completion of the project. The impact of this change in accounting policy has been immaterial for the reporting period due to the insignificant value of contracts in progress at year end.

j) 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 statement of cash flows on a gross basis, except for the GST component of investing activities, which is disclosed as operating cash flows.

k) Cash and cash equivalents
Cash and cash equivalents includes cash on hand and the operating bank account. Cash term deposits held with financial institutions are classified under “other financial assets” as they form part of the company’s investment portfolio.

l) 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.

m) Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

n) 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.

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

Lease incentives received under operating property leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.
Notes to the Financial Statements (continued)

1. Statement of significant accounting policies (continued)

p) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2017. These are outlined in the table below.

<table>
<thead>
<tr>
<th>Reference, Title</th>
<th>Summary</th>
<th>Application date of standard</th>
<th>Application date for the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 15, Revenue from contracts with customers</td>
<td>This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.</td>
<td>For financial years commencing after 1 January 2018</td>
<td>1 July 2018</td>
</tr>
<tr>
<td>AASB 16, Leases</td>
<td>All leases will be included in the balance sheet of lessees as right-of-use assets (non-current asset) and lease liabilities (split between current and non-current). In addition rent expense will no longer be treated as an operating expense but will be split between amortisation (operating) and interest (financing).</td>
<td>For financial years commencing after 1 January 2019</td>
<td>1 June 2019</td>
</tr>
</tbody>
</table>

Impact on financial report

Minimal impact expected with move by the company to a milestones basis of recognition of revenue which aligns with the performance obligations required by the new standard.

q) Critical accounting estimates and judgments

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

i) Restoration of leased property

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 remaining term of the lease. The company’s assumptions in determining the restoration of leased property are set out in note 10.

ii) Estimation of useful life of assets

The company’s assumptions about the useful life of assets are set out in item (c) of this note.

iii) Long service leave provision

The company’s assumptions in determining the provision for long service leave are set out in item (f) of this note.
## Notes to the Financial Statements (continued)

### 2. Revenue

**Revenue from operating activities**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalties</td>
<td>6,892</td>
<td>4,656</td>
</tr>
<tr>
<td>Grant received</td>
<td>2,656</td>
<td>2,655</td>
</tr>
<tr>
<td>Externally funded project revenue</td>
<td>922</td>
<td>871</td>
</tr>
<tr>
<td>Recoveries and other income</td>
<td>923</td>
<td>284</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,393</strong></td>
<td><strong>8,466</strong></td>
</tr>
</tbody>
</table>

**Revenue from investing activities**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment distributions</td>
<td>18,282</td>
<td>14,617</td>
</tr>
<tr>
<td>Interest income</td>
<td>625</td>
<td>550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,907</strong></td>
<td><strong>15,167</strong></td>
</tr>
</tbody>
</table>

**Total revenue**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>30,300</strong></td>
<td><strong>23,633</strong></td>
</tr>
</tbody>
</table>

### 3. Expenses

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss from disposal of property, plant and equipment</td>
<td>–</td>
<td>38</td>
</tr>
<tr>
<td>Depreciation of plant and equipment</td>
<td>383</td>
<td>482</td>
</tr>
<tr>
<td>Leasehold improvements amortisation</td>
<td>191</td>
<td>231</td>
</tr>
<tr>
<td>Rental expense relating to operating leases</td>
<td>824</td>
<td>1,553</td>
</tr>
</tbody>
</table>

**Remuneration of current auditors:**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing the financial report</td>
<td>49,948</td>
<td>45,650</td>
</tr>
<tr>
<td>Other services—audit relating to publishing licence agreement, audit of Commonwealth Grant and other funding agreements, and provision of taxation advice</td>
<td>29,500</td>
<td>34,194</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>79,448</strong></td>
<td><strong>79,844</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements (continued)

#### 4. Cash and cash equivalents

<table>
<thead>
<tr>
<th>Notes</th>
<th>$’000</th>
<th>$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>321</td>
<td>145</td>
</tr>
</tbody>
</table>

#### 5. Trade and other receivables

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>290</td>
<td>272</td>
</tr>
<tr>
<td>Less: Impairment of receivables</td>
<td>–</td>
<td>–</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

**Current**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>839</td>
<td>550</td>
</tr>
<tr>
<td>Accrued royalty income</td>
<td>731</td>
<td>–</td>
</tr>
<tr>
<td>Accrued income</td>
<td>9,991</td>
<td>9,906</td>
</tr>
<tr>
<td>Other</td>
<td>299</td>
<td>94</td>
</tr>
</tbody>
</table>

**Other**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,860</td>
<td>10,550</td>
</tr>
</tbody>
</table>

#### 7. Investments

**Financial assets—investments:**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>At fair value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in managed funds</td>
<td>254,061</td>
<td>233,791</td>
</tr>
<tr>
<td>Investment in term deposits and other liquid assets</td>
<td>20,566</td>
<td>18,613</td>
</tr>
</tbody>
</table>

**Risk exposure**

Refer to note 15.
8(i). Plant and equipment

a) Leasehold improvements
Leasehold improvements—at cost 3,473 2,672
Less: Accumulated amortisation (2,215) (1,986)
Net book amount 1,258 686

Movements in leasehold improvements during the financial year
Opening net book amount 686 929
Additions/(disposals) 763 (12)
Amortisation expense (191) (231)
Closing net book amount 1,258 686

b) Plant and equipment
Plant and equipment—at cost 2,033 2,328
Less: Accumulated depreciation (1,587) (1,997)
Net book amount 446 331

Movements in plant and equipment during the financial year
Opening net book amount 331 256
Additions 239 276
Depreciation expense (124) (201)
Closing net book amount 446 331
Total plant and equipment 1,704 1,017

8(ii). Intangible assets
Intangible assets—at cost 2,084 1,588
Less accumulated depreciation (1,262) (1,086)
Net book amount 822 502

Movements in intangible assets during the financial year
Opening net book amount 502 728
Additions 579 55
Depreciation expense (259) (281)
Closing net book amount 822 502
Total intangible assets 822 502
9. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>2,615</td>
<td>444</td>
</tr>
<tr>
<td>Other creditors</td>
<td>804</td>
<td>1,138</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,419</td>
<td>1,582</td>
</tr>
</tbody>
</table>


a) Current

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td>650</td>
<td>608</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>650</td>
<td>608</td>
</tr>
</tbody>
</table>

b) Non-current

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td>562</td>
<td>397</td>
</tr>
<tr>
<td>Restoration of leased property</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>962</td>
<td>797</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at start of year</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Increment arising from revised estimate</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>400</td>
<td></td>
</tr>
</tbody>
</table>

Restoration of leasehold property

This amount represents a provision for the present value of estimated expenditure required to remove any leasehold improvements as required by the terms of the lease of the Sydney office premises.
Notes to the Financial Statements (continued)

11. Other liabilities

a) Current

<table>
<thead>
<tr>
<th>Notes</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenue</td>
<td>166</td>
<td>1,659</td>
</tr>
<tr>
<td>Special collections in advance</td>
<td>610</td>
<td>562</td>
</tr>
<tr>
<td>Lease incentive</td>
<td>1(n)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>776</strong></td>
<td><strong>2,623</strong></td>
</tr>
</tbody>
</table>

b) Non-current

<table>
<thead>
<tr>
<th>Notes</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease incentive</td>
<td>1(n)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>804</strong></td>
<td><strong>804</strong></td>
</tr>
</tbody>
</table>

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

12. Reserves

<table>
<thead>
<tr>
<th>Notes</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment revaluation reserve</td>
<td>55,755</td>
<td>40,447</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55,755</strong></td>
<td><strong>40,447</strong></td>
</tr>
</tbody>
</table>

a) Movement in reserves

Investment revaluation reserve

<table>
<thead>
<tr>
<th>Notes</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>40,447</td>
<td>38,675</td>
</tr>
<tr>
<td>Transfer of realised (gains)/losses to retained surplus</td>
<td>(2,566)</td>
<td>–</td>
</tr>
<tr>
<td>Net revaluation of investments at year end</td>
<td>17,874</td>
<td>1,772</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55,755</strong></td>
<td><strong>40,447</strong></td>
</tr>
</tbody>
</table>

b) Nature and purpose of reserves

Investment revaluation reserve

Changes in the fair value arising from the revaluation of investments are accumulated in the investment revaluation reserve. Amounts are transferred as a surplus or deficit to the retained surplus when the investments are sold.
Notes to the Financial Statements (continued)

13. Retained surplus

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Retained surplus at the beginning of the financial year</td>
<td>218,029</td>
<td>213,713</td>
</tr>
<tr>
<td>Transfer from reserves</td>
<td>12</td>
<td>2,566</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>7,467</td>
<td>4,316</td>
</tr>
<tr>
<td><strong>Retained surplus at the end of the financial year</strong></td>
<td><strong>228,062</strong></td>
<td><strong>218,029</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the year</td>
<td>7,467</td>
<td>4,316</td>
</tr>
<tr>
<td>Interest and distribution income</td>
<td>(18,822)</td>
<td>(15,167)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>574</td>
<td>713</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net (gain)/loss on sale of plant and equipment</td>
<td>–</td>
<td>38</td>
</tr>
</tbody>
</table>

Changes in operating assets and liabilities

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase) decrease in receivables</td>
<td>(834)</td>
<td>390</td>
</tr>
<tr>
<td>Increase (decrease) in payables</td>
<td>(814)</td>
<td>(588)</td>
</tr>
<tr>
<td>Increase (decrease) in other assets</td>
<td>(494)</td>
<td>–</td>
</tr>
<tr>
<td>Increase (decrease) in other provisions</td>
<td>207</td>
<td>(65)</td>
</tr>
<tr>
<td><strong>Net cash (outflow) from operating activities</strong></td>
<td><strong>(12,716)</strong></td>
<td><strong>(10,363)</strong></td>
</tr>
</tbody>
</table>
Notes to the Financial Statements (continued)

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, Risk and 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 through investment unit trusts covering a range of investment classes, strategies, geographical sectors and risk profiles. There are 12 separate fund managers managing 14 investment portfolios. Investment derivatives are used by some of the fund managers. The company has not invested 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. While 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, while short-term volatilities affect the value of investments and returns these are not considered as risks that will normally 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.

i) 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 in are denominated. Some exposure to foreign currency risk is retained as part of the overall portfolio management strategy.

ii) 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, overseas equities, property, alternatives, infrastructure and cash.

Market price risk management involves decisions regarding the allocation of funds across the asset classes and includes management of those risks within these asset classes, that is, the selection of individual fund managers. 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 investments in managed funds investments of $254,061,000 (In 2016 it was $233,791,000). Refer to note 7.
Notes to the Financial Statements (continued)

15. Financial risk management (continued)

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 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 mitigated through the company’s policy of only investing with the four major Australian banks or with other approved deposit institutions with S&P ratings equivalent to or better than the majority of the four major Australian banks.

The maximum estimated exposure to credit risk at 30 June 2017 is the carrying amount of term deposits, cash and cash equivalents, and accounts receivable which have been recognised on the Statement of Financial Position 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 $3,419,000 (In 2016 it was $1,582,000). The majority of these liabilities mature in less than 60 days.

e) Fair value measurements
In accordance with AASB7: Financial Instruments: Disclosures, the company has adopted the fair value measurements by level of the following fair value measurement hierarchy:

i) quoted prices (unadjusted) in active markets for identical assets (Level 1)

ii) inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices) (Level 2)

iii) inputs for assets that are not based on observable market data (unobservable inputs) (Level 3)

The following table represents the company’s financial assets recognised at fair value:

<table>
<thead>
<tr>
<th>Level 2</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued distributions receivable</td>
<td>9,991</td>
<td>9,906</td>
</tr>
<tr>
<td>Investments in managed fund investments</td>
<td>254,061</td>
<td>233,791</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16. Commitments for expenditure

a) Non-cancellable operating lease expense commitments:
Aggregate amounts contracted for at balance date but not recognised as liabilities: 20 Bridge Street, Sydney, NSW, Australia:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>1,682</td>
<td>1,471</td>
</tr>
<tr>
<td>Later than one year but not later than five years</td>
<td>7,426</td>
<td>3,122</td>
</tr>
<tr>
<td>Payable over five years</td>
<td>4,538</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>13,646</td>
<td>4,593</td>
</tr>
</tbody>
</table>

The company leases office space under a non-cancellable operating lease expiring 31 August 2024. There are terms in the lease including escalation clauses and renewal rights.

b) Capital expenditure commitments
At 30 June 2017, the company had no commitments for capital expenditure (2016 $NIL).
Notes to the Financial Statements (continued)

17. Key management personnel
   a) Directors
   Directors of the company in office during the year are disclosed in the Directors’ Report (pages 30 to 31) that accompanies
   these financial statements.

   b) Other key management personnel

<table>
<thead>
<tr>
<th>Executive</th>
<th>Position</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronwyn Evans</td>
<td>Chief Executive Officer</td>
<td>1,407,787</td>
<td>1,566,636</td>
</tr>
<tr>
<td>Adrian O’Connell</td>
<td>Deputy Chief Executive Officer/Company Secretary</td>
<td>130,929</td>
<td>134,729</td>
</tr>
<tr>
<td>Archer Whetham</td>
<td>Chief Financial Officer/Company Secretary (terminated 2 September 2016)</td>
<td>42,678</td>
<td>143,089</td>
</tr>
<tr>
<td>Kareen Riley-Takos</td>
<td>General Manager, Operations</td>
<td>141,008</td>
<td>–</td>
</tr>
<tr>
<td>Adam Stingemore</td>
<td>General Manager, Strategy and Public Affairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Varant Meguerditchian</td>
<td>General Manager, Stakeholder Engagement (from 14 January 2017)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   2017                  2016
   $                     $

   c) Key management personnel compensation

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>1,407,787</td>
<td>1,566,636</td>
</tr>
<tr>
<td>Superannuation benefits</td>
<td>130,929</td>
<td>134,729</td>
</tr>
<tr>
<td>Employee long service leave benefits</td>
<td>42,678</td>
<td>143,089</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>141,008</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,722,402</strong></td>
<td><strong>1,844,454</strong></td>
</tr>
</tbody>
</table>

18. Contingent liabilities

   The company is a party to a publishing licence agreement. It has been alleged that the company is in breach of specific
   provisions, including with respect to the currency of the Australian Standards catalogue. It is claimed the alleged breach may
   have caused a loss of revenue to the licensee. The company denies this claim would have any material effect on the licensee.
   The extent of any liability that may arise from this claim cannot be reliably estimated.

19. Events occurring after reporting date

   There are no reportable events that have occurred in the period between balance date and the date of signing these
   financial statements.
Member Organisations

Australasian Corrosion Association Inc
Australasian Fire and Emergency Service Authorities Council
Australasian Institute of Mining and Metallurgy
Australasian Procurement and Construction Council Inc
Australian Acoustical Society
Australian Aluminium Council
Australian Automobile Association
Australian Building Codes Board
Australian Chamber of Commerce and Industry
Australian Communication Consumer Action Network
Australian Computer Society Inc
Australian Council of Trade Unions
The Australian Council on Healthcare Standards
Australian Dental Association Inc
Australian Industry Group
Australian Information Industry Association Ltd
Australian Institute of Architects
Australian Institute of Building
Australian Institute of Petroleum Ltd
Australian Medical Association
Australian Nursing & Midwifery Federation
Australian Organisation for Quality Inc
Australian Paint Manufacturers Federation Inc
Australian Retailers Association
Australian Steel Institute
Australian Window Association
Austroads Ltd
Bureau of Steel Manufacturers of Australia
Cement Concrete & Aggregates Australia
Choice
Civil Contractors Federation
Communications Alliance Limited
Concrete Institute of Australia
Concrete Pipe Association of Australasia
Construction Information Systems Australia Pty Ltd (NATSPEC)
Consult Australia