Australia’s peak independent, non-government, not-for-profit standards organisation.

Our mission
To excel in 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 community’s expectation of a safe and sustainable Australia

Our impact
I am sure that the everyday person is for the most part, unaware, of the role standards play in their lives...
Standards keep our world safe.
—Dr Lisa Sharwood, Injury Epidemiologist

Standards complement the National Construction Code which ensures the public’s safety, health and amenity. Without these standards, this cannot be achieved.
—Clayton James Votano, Building Surveyor

Standards can ensure quality and integrity of a production process that an ordinary consumer can trust.
—Sam Hossain, Lawyer
Five years ago, the Board set out to fundamentally and positively change the way that Standards Australia connects with the Australian economy. This year has been one of great steps forward towards that objective.

Through a combination of hard work, alignment, reflection and consultation I am pleased to report that this has been a very successful year for Standards Australia. We measure our success by our broad ability to make a positive contribution to Australian life across all aspects of our work.

Through all of this work, the Board has remained conscious that we must ensure organisational resources continue to be directed to the full life cycle of the standards system.

You will see our reporting of very strong production numbers this year. This result comes from the work of our team, our contributors and those who support us. You will also see profiled some of the work we are doing nationally and internationally to support us. You will also see profiled some of the work of our team, our contributors and those who support us.

The significance of this change will only be fully recognised as we continue to open up access to the distribution of our content. The first outcome of this was our announcement in May welcoming a new partnership with Techstreet, a Clarivate Analytics company, as our first new distributor. This new partnership is our first step towards improving access to our content to support innovation, safety and compliance in industries and communities across Australia.

Our next move saw us commence an Australia-wide open consultation on our distribution arrangements where we invested heavily in understanding the needs and requirements of our very broad range of stakeholders; from users who work with our content every day, to industries who organise themselves around them, to governments who rely on our content to do their work and the broader community who often take for granted how standards add to the safety and efficiency of our economy.

This consultation has informed our Distribution and Licensing Policy Framework that we will soon be announcing as we move into the next financial year.

On behalf of the Board I would like to thank each of you who contributed to this result.

Our financial position remains strong and we are committed to navigating through our business transformation with our financial stability front of mind. The uncertainty of the global financial system is a key area of focus for the Board given the impact that financial markets could have on our operations.

We were also pleased this year to finalise all outstanding matters related to our distribution arrangements. This gives us a clean sheet as we move into the next financial year with a lot of work to do, and a lot of excitement about what lies ahead for us in delivering even more value to the Australian community.

I would like to acknowledge Dr Bronwyn Evans, who led the team as Chief Executive Officer since 2013, was farewelled through the year, with gratitude and thanks for her significant contributions during her time as Chief Executive. Bronwyn left a legacy of substance, and excellent executive and senior leadership teams in place. The Board is grateful for the work of the team through Bronwyn’s transition and the continuous focus on outcomes.

The Board was also delighted to confirm Adrian O’Connell as our next Chief Executive Officer. Since joining Standards Australia in 2006, Adrian has been instrumental in driving innovation and change to deliver greater value for stakeholders and the end users of Australian Standards.

Leading all functions within the business including stakeholder engagement, standards development, corporate services, and international engagement has given Adrian a deep understanding of all the functions of the organisation, and importantly how we work with our network of thousands of stakeholders on a daily basis. Through the selection process, the Board found Adrian’s experience, commitment and vision for Standards Australia compelling. We wish Adrian every success as Chief Executive Officer.

At a Board level, we farewelled Dr Peter Burn who came to the end of his 9 year term. Peter’s stewardship and commitment to the work of Standards Australia was acknowledged by the Board and Executive, particularly his work leading our Finance, Risk & Audit Committee through a period of great change.

We welcomed two new directors, Tony Dixon and Nick Koukoulas, to the Board through the year. Tony and Nick brought enthusiasm, skill and measure to the Board and contributed significantly from first discussions.

I would like to finish though, on behalf of the Board, by acknowledging the passing of Tony Dixon earlier this year. Tony’s commitment to Standards Australia and our work and our transformation reflected a man of great drive and integrity. As in other parts of his life, Tony left a strong legacy with the Standards Australia Board and team. Vale Tony.

On behalf of the Board, I would like to thank you for your continued support as we transition our business model, and in equal measure, continue our focus on standards development.

We are focused, aligned, evolving and committed to delivering even more positive benefit in Australia and internationally.

Richard Brooks – Chairman
As Standards Australia moves closer to its centenary, we are ever conscious that the standards body Australia needs today is both very similar and very different to what Australia needed almost 100 years ago.

When I joined Standards Australia in 2006, we were just commencing a work program to increase the positive impact we have on Australian life.

Looking back, Standards Australia today is almost unrecognisable when compared to the Standards Australia of 2006.

We have a deep commitment as an organisation to improving both the outcomes that we deliver for our communities and the contributor experience of those working with us. We are single-minded in our determination to achieving an even stronger positive trajectory through the years ahead.

Our operations have changed in scope significantly this year, and with diligence, have ensured that standards development remains our core focus.

I am very pleased to be able to report publications through the year of 361. This is the result of huge amounts of work by many committed contributors and staff.

Our standards development program nationally has seen us working with all sectors to help them achieve their objectives. At an international level, we continue to connect Australian industries to the international standards development process with great success and impact, and to drive engagement and participation of Australia on a global scale.

Internationally, we have been working closely with key stakeholders like the Australian Commonwealth Department of Industry, Innovation and Science (DIIS) and Department of Foreign Affairs and Trade (DFAT) in creating strong relationships, reducing trade barriers and delivering results for Australia across the Pacific and around the world.

We are fortunate to work with dedicated committees and Nominating Organisations. Our engagement with governments, industry and consumer representatives this year makes me proud to work in an organisation that makes such a difference.

As we look towards the future and what we endeavour to achieve in the 2019/20 financial year, it is again consistent with our transformation agenda.

Our Action Plan has us focused on:

- Helping industries and governments achieve outcomes and connect internationally;
- Engaging stakeholders and delivering standards in smarter and more efficient ways; and
- Embedding choice, value and reach in our product and distribution channels.

With these objectives and a strong execution focus, we look forward to reporting progress as we move into the next year.

At the time of finalising this report, I am equally excited and humbled to have accepted the position of Chief Executive Officer following Bronwyn’s resignation earlier in the year. Bronwyn led us through a substantial period of change and I am honoured to follow her tenure.

This will be one of the most demanding periods in the history of Standards Australia as we continue to adapt to market and community expectations in the digital age. To be leading the team through this next period of change is a tremendous honour. I look forward to working with all of our stakeholders in Australia and internationally as we strive to deliver even more value to the Australian community.

On behalf of the Executive team and Standards Australia staff, we are pleased to present this report.

I would like to thank all of you who share our vision and work towards our common goal of aiming for a safer, sustainable and more effective Australia.
This has been a strong year in the development and publishing of standards.

### Active projects by sector

- 26% Manufacturing and Processing
- 18% Electrotechnology and Energy
- 17% Building and Construction
- 9% Public Safety, Public Administration; Business and Management
- 7% Water and Waste Services
- 6% Transport and Logistics
- 5% Communications, Information Technology and e-Commerce Services
- 4% Health and Community Services
- 3% Consumer Products and Services and Safety
- 3% Agriculture, Forestry, Fishing and Food
- 2% Mining
- <1% Education and Training Services

### Total catalogue

- 5,233 Australian Standards
- 1,049 Amendments
- 183 Handbooks
- 153 Technical Specifications and Reports
- 62 Amendments
- 9 Technical Specs & Reports
- 4 Handbooks
- 1 Miscellaneous
- 114 Supplements
- 26 Miscellaneous products and publications
- 18 Rulings

### Major publications

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<tr>
<th>Designation</th>
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<tr>
<td>AS/NZS 2290.3:2018</td>
<td>Electrical equipment for coal mines – Introduction, inspection and</td>
<td>24-Jul-2018</td>
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<td></td>
<td>maintenance, Part 3: Gas detecting and monitoring equipment</td>
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<td>orientation of people with vision impairment – Wayfinding signs</td>
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<td>AS/NZS 5141:2018</td>
<td>Residential heating and cooling systems – Minimum applications and</td>
<td>26-Nov-2018</td>
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<tr>
<td></td>
<td>requirements for energy efficiency, performance and comfort criteria</td>
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<tr>
<td>AS 2885:2018 series</td>
<td>Pipelines – Gas and liquid petroleum</td>
<td>03-Dec-2018</td>
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<tr>
<td>AS 5205:2019</td>
<td>Australian Health Contact Centres</td>
<td>28-Feb-2019</td>
</tr>
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<td>AS 3515:2019 series</td>
<td>Gold and gold bearing alloys</td>
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<td>AS 3954:2019</td>
<td>Motor vehicle driver controls – Adaptive systems for people with</td>
<td>16-Apr-2019</td>
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### Cumulative monthly output

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### Publications in FY 2019

- 361 publications
- 285 Australian Standards
- 5,233 Australian Standards
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Facilitating trade and enhancing security

Our International Engagement team focuses on bringing value to Australia’s economic efficiency, trade and international competitiveness as well as its regional engagement, prosperity and security interests.

ASEAN-Australia Digital Trade
The ASEAN-Australia Digital Trade Standards Cooperation completed the first phase since its announcement in March 2018. This initiative identifies issues in the ASEAN region, and proposes cooperative activities to address challenges in a longer-term work program.

The publication of the Digital Trade Issues Paper alongside hosting a two-day ASEAN-Australia Digital Trade Standards Workshop were all part of Phase 1. All contributing to the Recommendations Report presented to Australian and ASEAN national governments, proposing cooperative activities that would address these barriers as part of Phase Two, set to commence at the end of 2019.

Cyber Security
Over the course of the 2018/19 year as part of the Australian Government’s Cyber Engagement Strategy, Standards Australia has been working to build market awareness and increase the use and implementation of the ISO/IEC 27000 series on information security management systems within the Pacific region.

The Cyber Security Regional Standardisation Enhancement Program includes the participation of Fiji, Papua New Guinea, Solomon Islands, Tonga and Vanuatu, with an expected completion due with the publication of the Recommendations Report.

Standards Australia hosted a two-day Cyber Security Standards Forum in April 2019 with delegates from all five countries represented, as well as Australian experts in cyber security. The forum was an opportunity to further build awareness on cyber security and to conduct an analysis of the current strengths, weaknesses, opportunities and threats of each country’s cyber environment.

Indo-Pacific Digital Trade
A three-year standards trade enabling program kicked off this year, to assisting the region’s capacity to adopt and implement relevant international standards as a foundation, to build a digital economy.

We are currently working through the needs analysis phase of the project. This entails visiting participating countries to gather information by holding:
- A Needs Assessment Day. Meeting with National Standards Body (NSB) or relevant government department to understand current standards development processes. This included the completion of the new ISO Good Standardisation Practice tool which Standards Australia are piloting for ISO.
- A Digital Roundtable session with the NSB and the stakeholders to understand the current digital environment in each country and the priority areas for digital trade.

Phase 2 of the initiative will see the hosting of workshops in both regions, then the development of customised country plans. This is to implement capacity building and institutional strengthening activities.
Delivering for Australia

Helping hand for telehealth services
Supporting Australian’s 24 hours a day, seven days a week from regional areas to metropolitan hubs, health call centres are pivotal for those seeking quality health care and health related information. AS 5205:2019, Australian Health Contact Centres has been developed to guide the care consumers can expect to receive from health contact centres and to assist in providing a consistent approach to healthcare delivery across Australia.

While the standard was developed to support all Australians, it has been particularly important to those in regional areas who further away from emergency treatment. This standard aims to build their assurance that when utilising call centres, they will gain quality information and advice.

Ease of energy efficiency
The installation and design of energy efficient residential air conditioning was given a helping hand with the publication of AS/NZS 5141:2018, Residential heating and cooling systems – Minimum applications and requirements for energy efficiency, performance and comfort criteria.

With the environment in mind, the standard specifies the requirements for design, selection, installation, commissioning and maintenance of residential heating and cooling climate control systems. The standard is a welcome publication for consumers who can now rely on a comfortable, cost effective and safe outcome in the installation of their air conditioners.

Driving forward: motor vehicle controls
AS 3954:2019, Motor vehicle driver controls – Adaptive systems for people with disabilities was updated to set a benchmark for motor vehicle controls for people with disabilities. The standard aims to assist those with disabilities to go about their daily life in the easiest and most effective way possible.

Standards Australia worked with the broad automotive sector, rehabilitation engineers, therapists, disability advocacy groups and vehicle modification experts to improve the standard. This publication is an example of the commitment of the industry to provide safe and accessible solutions for all Australians.

Gas detection in coal mines
In response to the devastating Pike River Disaster, Standards Australia work with New Zealand to develop AS/NZS 2290.3:2018, Electrical equipment for coal mines – Introduction, inspection and maintenance, Part 3: Gas detecting and monitoring equipment.

The standards core objective is the safety of coal miners, it provides guidance on the use of gas detection equipment in mines. Among the changes in this edition of the standard, is a new requirement for routinely measuring the response time of installed gas detection systems.

Steps forward in all sectors

The highs and lows of trampoline parks
Trampoline parks are a great place for children and even adults to have fun and exert energy. However, with the rise in popularity of these parks over several years the risk of injury has also increased. Minimising this risk through design and regular inspection is the focus of AS 5159.1:2018, Trampoline park facilities, Part 1: General safety requirements and test methods.

AS 5159.1 provides a voluntary benchmark for both the design, installation and operation of trampoline parks. It presents minimum safety thresholds to help designers and trampoline park owners to manage risks for park patrons.

Finding a way
The ‘wayfinding’ standard, AS 1428.4.2:2018, Design for access and mobility Part 4.2 – Means to assist the orientation of people with vision impairment – Wayfinding signs, has been published to assist the building and construction industry support the navigation of those who are blind or vision impaired.

The provision of easily accessible and consistently located signage within the built environment was a key goal in the development of the standard. The publication has been produced in Accessible PDF and DAISY formats, which are designed to be read with commonly available screen reading software used by those with vision impairment.

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National Construction Code
Now on a three-yearly cycle, encompassing three volumes and incorporating hundreds of standards, the National Construction Code (NCC) was officially adopted on 1 May 2019.

The work leading up to NCC implementation included many committee meetings with dozens of technical experts and professionals working diligently to prepare new and amended standards for referencing.

From government to the construction sector to consumers, there is a great commitment to working with these key stakeholders to deliver standards that will provide benefits throughout the asset life cycle of the built environment.

Aluminium composite panels
The COAG Building Ministers’ Forum, consisting of Commonwealth, state and territory Ministers responsible for building matters, identified the development of a permanent labelling system for aluminium composite panels (ACP) as a priority to prevent the use of non-compliant building products.

Standards Australia released a discussion paper, Labelling of ACP Products, seeking feedback from industry and stakeholders on a proposed approach.

A great response from industry has allowed work to commence on a lower-consensus technical specification that will focus on quality and speed-to-market.

Updates for Fire detection, warning, control and intercom systems
The series, AS 1670, Fire detection, warning, control and intercom systems – System design, installation and commissioning, has multiple sections each focusing on different aspects of fire detection and warning systems.

In December 2018, Standards Australia published a revision of three parts: Part 1, Fire; Part 3, Fire alarm monitoring; and Part 4, Emergency warning and intercom systems.

These standards are examples of the fire industry’s continued commitment to minimum building performance standards that contribute to safety and amenity for the Australian public.

Revisions Commenced for AS/NZS 3500
A major revision of the AS/NZS 3500 series, Plumbing and drainage, commenced in 2019. This significant sequence of standards guides plumbers around Australia with the installation of taps, showers, bathtubs, hot water systems and drainage systems that are used on a daily basis.

The committee have begun this revision as they work towards meeting the 2021 deadline of the National Construction Code (NCC) referenced documents.

Lead in Plumbing Products
In conjunction with the Australian Building Codes Board (ABCB), Standards Australia hosted a “Lead in Plumbing Products Forum”, with the aim of reducing lead exposure in our environment and plumbing products.

The forum will assist the ABCB in undertaking an impact analysis through the development of a regulatory impact statement, with further consultation needed to identify a range of feasible regulatory and non-regulatory options capable of addressing the health risks associated with lead in drinking water.

Piping Good Standards Published
The AS 2885 series aim to support industry by outlining technical requirements to efficiently design and build new energy pipelines, and to keep the existing ones flowing safely.

• AS 2885.0:2018, Pipelines – Gas and liquid petroleum – General Requirements.
• AS/NZS 2885.6:2018, Pipelines – Gas and liquid petroleum – Safety management.

Guide on Unit Pricing
Publication of ISO 21041:2018, Guide on Unit Pricing, equips consumers with a new tool making buying decisions easier with products now able to be compared on a fairer level. Spearheaded by Australian experts the standard provides a number of requirements to enable consumers to compare prices on similar items more accurately.
In April 2019, we attended the Siemen’s Digitalisation Mission to Hannover Messe in Germany, to discuss how to progress this agenda through ISO, including with our colleagues at the DIN and with representatives of the Australian Government.

We will progress this early work with an action plan around international standards adoption, areas for international collaboration for standards development and participation in dedicated conferences for stakeholders.

**Grid Cyber Security**

As the Australian energy system transforms, standards play a central role in providing consistent frameworks for design and implementation and ensuring greater interoperability of technologies.

The grid cyber security standards project ran over 2018 in partnership with Energy Networks Australia. Consisting of a discussion paper, a national forum, and extensive stakeholder consultation, it resulted in Standards Australia publishing *Roadmap for Standards and Grid Cyber Security* in December.

**Smart Cities**

Hosted international committees’ meetings for JTC 1/Working Group 11 (Smart Cities) and JTC 1/Study Group on Data Usage to support collaboration with Australian industry experts.

A Smart Cities Roundtable held in March 2019 included key stakeholders to determine Australia’s participation in standards development for smart cities standards. From this, the Smart Cities Standards Reference Group was established and launched on 1 May 2019. The group will coordinate and maintain oversight of smart cities standards activities across ISO and IEC technical committees.

Smart Cities international participation case for Australia’s membership to Smart Cities international committees ISO/TC 268 (Sustainable cities and communities) and IEC Systems Committee Smart Cities approved.

**Gaining Momentum in Hydrogen**

Standards Australia hosted the first meeting of ME-093, Hydrogen Technologies, the mirroring committee to ISO/TC 197, to review a catalogue of existing national and international standards and discuss recommendations.

A chairs advisory group was formed to ensure that existing committees are kept informed about the activities of the ME-093 and to have an opportunity to provide input, as this alternative energy sector gains momentum.

**Talking about Graphene**

The Standardisation Needs in Graphene forum welcomed an array of international graphene experts from government and industries such as pharmaceuticals, food, manufacturing, building and construction.

Outcomes from the day included the realisation of Australia’s work in this area, the further research needed for the standardisation of this nanomaterial and the need for internationally aligned standards in this industry.

**Blockchain**

We continue to support Australia’s leading global work on blockchain, speaking and engaging publicly. This Committee (ISO/TC 307), which is chaired by Australia, has progressed significant work in areas and is on track to deliver on its commitment to share good practice in areas like smart contracts, security and reference architecture.

In early 2019, we hosted the first meeting of the newly constituted IT-043, the national mirror committee on AI for ISO/IEC JTC 1/SC 42. This growing committee has representation from across government, the tech sector, consumers and researchers. It is providing Australia’s voice and vote on all matters AI and standards.

Standards Australia’s Policy Manager, Dr. Jed Horner, joined a Committee for Economic Development of Australia (CEDA) Panel, moderated by Microsoft’s Corporate Counsel for Asia-Pacific, to spell out the role of Standards in AI, and to discuss the broader policy challenges that need to be tackled in this space.

**Industry 4.0**

Standards Australia leads the work stream on standards within the Industry 4.0 Advanced Manufacturing Forum.

**Artificial Intelligence**

Our contributions to national discussions on Artificial Intelligence (AI) have been strong, underscoring the potential role for standards. In last year’s budget, Standards Australia was allocated funding to develop a national AI standards roadmap, for which work is due to commence shortly.

We convened the Australian AI working group in October 2018, comprising of representatives from a number of tech companies, nominating organisations, community groups, academic experts and consultancies. This kicked off with a CEO-level roundtable.

The first two sessions, which focused on the potential application of AI and the ethics of AI, are contributing to our evolving thinking about how standards-based solutions can work in this area and what the issues are for the broader community.
Governance

The Technical Governance Review (TGR) is a root to branch assessment and commitment to deliver on how our processes can be more strategic, more open and more proactive.

Our TGR Implementation Plan for FY 2019 focused on project prioritisation, committee composition, drafting development and public comment.

Through careful implementation of a series of changes across our operations, we aim to continually improve our system and processes.

Committee chair policy change

The role of committee chair was identified as an important element in committee effectiveness. A good chair helps build consensus and amplifies contributions from experts.

Our new policy for the committee chair includes the policy review on appointment, tenure and performance of chairs as well as broader oversight and enforcement of policy by Standards Australia’s Production Management Group (PMG).

Connect – our new contributor platform

The first three months of 2019 saw the release of our new contributor portal named Connect, which consolidates many functions into one place.

Since Connect’s initial release, it has provided a simpler dashboard for users, and the next phase will build a number of added functionalities as requested by our contributors.

New public comment platform

Standards Australia piloted a new public comment platform, to make commenting easier and more transparent. From the feedback received, we iterated the platform to include our single sign-on service, the ability to attach documents, and the ability to view and print full documents.

Company Governance Review

Concluding the 2018/19 financial year, Standards Australia announced the commencement of a company governance review. This next phase of work, led by cameron.ralph.khoury as external consultants, aims to provide insightful advice to build a modern, inclusive governance structure for the future.

Visual Standards

Translating dense technical text of standards into visual concepts, presented through images or videos. With the visual standard, icons link to requirements, helpful information, other standards and to smart workflows or calculators.

Digital Standards

To make standards more accessible and of greater value to end users.

Crowd Sourcing Participation

Projects are underway where we have crowd sourced experts as a means of opening our participation more widely.

Checkbox

In collaboration with the no-code platform Checkbox, Incubator has created an initial proof of concept conducted with AS 2047, Windows and external glazed doors in buildings.

Checkbox offers an easy, do-it-yourself model, synthesising thousands of pages of text rich documents into a streamlined, problem solving and decision-making software model.

The work with AS 2047 is testing the feasibility and usability of a guided workflow, designed to assist with creating a performance specification for windows and external doors in accordance with the standard. It is now in the later phases of testing with involvement from key personnel such as the former CEO of the Australia Windows Association.

The Incubator allows us to challenge how we develop, manage and distribute standards, and to explore what real change for our organisation could look like.

Transparency and transformation

The Incubator allows us to challenge how we develop, manage and distribute standards, and to explore what real change for our organisation could look like.
Shaping the future with our people

**NEXTgen**
The launch of the rebranded NEXTgen program was a great success in August 2018, as we welcomed 20 of the next generation of standards experts. The ambition for NEXTgen to future-proof the development of Australian standards by creating a robust succession plan for committee contributors.

Formerly known as the Young Leaders Program, the NEXTgen program provides an opportunity for young experts to experience the standards development process and understand what it is like to participate on a technical committee with industry peers. Alumni can then take the knowledge gathered and experiences gained from the program back to their profession and provide added value to their clients and colleagues.

The launch of our new ‘bootcamp’ initiative seeks to introduce standards development to an even wider audience of young experts at the earliest stage of their careers. On the other side of the scale, we are supporting and building up our contributors and alumni in committee leadership positions by offering workshops on facilitating standards development and other topics.

**Academy**
The Standards Academy is the learning platform for contributors and staff. Relaunched in early March 2019, the Academy has a new look and feel giving contributors easier access to high quality online learning material, and options to register for face to face workshops.

The range of learning materials is being expanded to give more focused support in key areas, such as knowledge and skills needed to be an effective committee chair, as well as enhancing the capabilities of those already in the role.

We also developed a program to assist Nominating Organisations. Those who are new to standards development need to build their knowledge of our processes, along with guidance on how to contribute effectively.

**Standards Awards**
Each year Standards Australia recognises standout contributors who further the development of standards, both within Australia and internationally. This year we received more nominations than ever before – a great sign that the hard work of our committee members is being recognised.

The 2019 winners were honoured for leading the charge in reviewing, updating and developing standards that make use of international best practice, new technology, and help to improve overall access to standards.

**Winners**

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<td>Meritorious Contribution Award (International)</td>
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<td>Dr Philippa Ryan</td>
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**Our Staff**

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**Our Work**

<table>
<thead>
<tr>
<th>Active Committee Members</th>
<th>5,631</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominating Organisations</td>
<td>2,933</td>
</tr>
<tr>
<td>Active Technical Committees</td>
<td>391</td>
</tr>
<tr>
<td>Active Subcommittees</td>
<td>426</td>
</tr>
<tr>
<td>Active Working Groups</td>
<td>250</td>
</tr>
</tbody>
</table>

Pictured: CEO Adrian O’Connell, Agnes Tan, Alan Snow, Colin Doyle, Gus Dannoun, Evan Wong, Patrick Hone and Chairman Richard Brooks. Missing: Dr Philippa Ryan and Trevor Tucker
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
Standards Australia’s long term financial viability is dependent on returns from its investment portfolio and from 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. At the end of May 2019, Standards Australia announced Techstreet as an additional distributor.

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% per annum (after fees, and measured over the seven year period), with moderate volatility of returns. Effective 30 May 2019, the Finance, Risk and Audit Committee approved a revised investment objective of (CPI + 1%) + 3% per annum (after fees, and measured over the seven year period), reflecting both the current and expected volatility within the market.

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 3% component of the investment return is the approximate amount of investment earnings that are used to fund annual operating expenses.

The Investment Year
The financial year started strongly supported by Global equity markets, however the positive market environment abruptly shifted in the December 2018 quarter, with equity markets experiencing sharp declines. This was largely attributable to market concerns over rising US interest rates compounded by emerging uncertainties about the US growth outlook and global trade tensions. Markets rebounded strongly in the first quarter of 2019, with the turnaround largely due to the US Federal Reserve revising its policy bias in favour of a more accommodative monetary policy. Uncertainty surrounding Brexit remained elevated, though the delay of any prospective exit until October 2019 provided some respite for the UK equity market.

In Australia, economic growth slowed to 1.8% in the year through to March 2019; the slowest annual growth rate recorded since the GFC. Responding to the softening economic conditions, the Reserve Bank of Australia (RBA) ended a 34 month pause to cut the official cash rate by 0.25% to a historic low of 1.25% in June 2019.

Highlights of market performance for the year include:
• Australian equities markets (S&P/ASX 300) rose 8.2% over the year.
• Overseas equities returned 6.8% on a hedged basis, and 12.6% unhedged.
• Within the Australian property sector, the listed Australian Real Estate Investment Trusts (AREITs) generated a 19.4% return. Australian unlisted property underperformed the listed sector to generate a 6.8% return over the financial year.
• Australian cash rates reduced from 1.5% to 1.25% in June 2019.
• The AUD fell 5% 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.

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 $299m at 30 June 2019.

Financial Result
The “Statement of Profit or Loss and Other Comprehensive Income” on page 34 is stated below to differentiate between operations and investment activities:

<table>
<thead>
<tr>
<th>Sector</th>
<th>2019 $’000</th>
<th>2018 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Revenues</td>
<td>18,314</td>
<td>9,949</td>
</tr>
<tr>
<td>Expenses</td>
<td>(29,659)</td>
<td>(26,239)</td>
</tr>
<tr>
<td>Operations Deficit</td>
<td>(11,344)</td>
<td>(16,290)</td>
</tr>
<tr>
<td>Investments Managed Funds distributions and interest</td>
<td>16,163</td>
<td>22,590</td>
</tr>
<tr>
<td>Net Profit (Reported P&amp;L)</td>
<td>6,819</td>
<td>6,300</td>
</tr>
<tr>
<td>Other Non-Operating Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>10,024</td>
<td>-</td>
</tr>
<tr>
<td>Net Gain/Loss on Investments designated as fair value through profit and loss</td>
<td>2,099</td>
<td>12,055</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>18,942</td>
<td>18,355</td>
</tr>
</tbody>
</table>
The directors present their report on Standards Australia Limited for the year ended 30 June 2019.

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 during the year and up to the date of this report are set out on page 26 and 27, 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 $18,942,000 (2018 profit $18,355,000).

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.

Significant Changes in the State of Affairs
No significant changes in the company’s state of affairs occurred during the financial year.

After Balance Date Events
Other than the matter stated in Note 16, no other matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

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

Environmental Issues
The company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Proceedings of Behalf of Company
No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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.

After Balance Date Events
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.

Indemnification and insurance of directors and officers
The Company indemnifies, each person who is or has been an Officer of the Company in accordance with the provisions of Articles 144 to 147 of the Constitution of Standards Australia.

Rounding
The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.
**Standards Australia Limited – 2019 Annual Review**

**Director profiles**

1. **Richard Brooks**
   - **CURRENT POSITIONS:** Managing Director of Tyne Solutions Pty Ltd, a provider of business and association management services.
   - **FORMER POSITIONS:** Chairman of the Council of Small Business Organisations of Australia; Executive Director of the Timber Merchants Association, Victoria; Co-Chairman Timber Industry Superannuation Scheme; Member Mt. Buller and Mt. Stirling Alpine Resorts Management Scheme; Member Mt. Buller and Mt. Stirling Alpine Resorts Management Board.
   - **SPECIAL RESPONSIBILITIES:** Board Chairman; Member Finance, Risk & Audit Committee; Member Remuneration & Nominations Committee

2. **Dr Peter Burn**
   - **CURRENT POSITIONS:** Director, Australia-China Business Council; Director of Industry Super; Co-Chairman of the Council of Small Business Organisations of Australia; Finance, Risk & Audit Committee Chairman; Member Finance, Risk & Audit Committee; Director of the Timber Merchants Association, Victoria; Member and Chair NSW Business Chamber; Member of the Commonwealth Procurement Consultation Committee; Treasurer and Councillor Australian Sustainable Built Environment Council.
   - **FORMER POSITIONS:** CEO of Consult Australia; Chairman of Standards Australia; Chairman of Industry Super Australia; Member and Chair of the Business Council of Australia; Director of Economic Development of Australia; Director of Committee for Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Member Remuneration & Nominations Committee

3. **Anthony Dixon**
   - **CURRENT POSITIONS:** Chairman, Standards Australia; First Vice-Chairman of the Council of Small Business Organisations of Australia; Executive Director of Industry Super; Member of IFM Investors’ Shareholders’ Advisory Board.
   - **SPECIAL RESPONSIBILITIES:** chair of the Board; Member Finance, Risk & Audit Committee; Secretary, Building Products Innovation Council; Member of the Council of Small Business Organisations of Australia; Executive Director of Industry Super; Secretary, Building Products Innovation Council; Member of the Commonwealth Procurement Consultation Committee; Treasurer and Councillor Australian Sustainable Built Environment Council.
   - **FORMER POSITIONS:** CEO of Consult Australia; Chairman of Standards Australia; Director of Economic Development of Australia; Director of Committee for Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Member Remuneration & Nominations Committee

4. **Michelle Fitzgerald**
   - **CURRENT POSITIONS:** Chief Digital Officer and Smart City Manager, City of Melbourne.
   - **FORMER POSITIONS:** Partner, Customer & Digital Consulting, PwC Australia; CEO and Chair of the Council of Small Business Organisations of Australia; Executive Director of Industry Super; Member of IFM Investors’ Shareholders’ Advisory Board.
   - **SPECIAL RESPONSIBILITIES:** Member Remuneration & Nominations Committee

5. **Tracey Gramlick**
   - **CURRENT POSITIONS:** Senior Analyst CSIRO; Director and Councillor of NSW Chamber of Commerce and Industry; Director and Councillor of Standards Australia; Member of the Committee for Economic Development of Australia; Director of the Business Council of Australia; Director of Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Chair Standards Development & Accreditation Committee

6. **Nicholas Koukoulas**
   - **CURRENT POSITIONS:** Chair of the Business Council of Australia; 执行董事 of Industry Super; Director of the Council of Small Business Organisations of Australia; Chair of the Business Council of Australia; Director of Economic Development of Australia; Director of Committee for Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Chair Standards Development & Accreditation Committee; Member Finance, Risk & Audit Committee

7. **Megan Motto**
   - **CURRENT POSITIONS:** Chair JCT Advisory Pty Ltd; Executive Director Business Group; Member Finance, Risk & Audit Committee; Chair of the Council of Small Business Organisations of Australia; Chair of the Business Council of Australia; Director of Economic Development of Australia; Director of Committee for Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Member Remuneration & Nominations Committee

8. **David Singleton**
   - **CURRENT POSITIONS:** Director of Industry Super; Director of the Council of Small Business Organisations of Australia; Chair of the Business Council of Australia; Director of Economic Development of Australia; Director of Committee for Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Chair Standards Development & Accreditation Committee

9. **James Tinslay**
   - **CURRENT POSITIONS:** Director of Industry Super; Director of the Council of Small Business Organisations of Australia; Chair of the Business Council of Australia; Director of Economic Development of Australia; Director of Committee for Economic Development of Australia; Director Next Gen & Co.
   - **SPECIAL RESPONSIBILITIES:** Chair Standards Development & Accreditation Committee; Member Finance, Risk & Audit Committee

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*Mr Anthony (Tony) Dixon passed away on 5 July 2019. This was during a leave of absence which commenced on 1 July 2019 due to illness. Mr Dixon was a Member and Councillor Representative from 2015 and he was appointed to the Board in November 2018. Mr Dixon’s contributions were highly valued and the Board passes its sincere condolences to Tony’s wife, Sonia, their families and friends as well as to Tony’s former colleagues at the Australian Steel Institute.*
Meetings of Directors

<table>
<thead>
<tr>
<th>Directors Meetings</th>
<th>Eligible</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Brooks</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>P Burn</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>A Dixon</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>M Fitzgerald</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>T Gramlick</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>N Koukoulas</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>M Motto</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>D Singleton</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>J Tinslay</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Finance, Risk & Audit Committee

<table>
<thead>
<tr>
<th>Finance, Risk &amp; Audit Committee</th>
<th>Eligible</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Brooks</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>P Burn</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>M Fitzgerald</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>N Koukoulas</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D Singleton</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Remuneration & Nominations Committee

<table>
<thead>
<tr>
<th>Remuneration &amp; Nominations Committee</th>
<th>Eligible</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Brooks</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>A Dixon</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>T Gramlick</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>M Motto</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>J Tinslay</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Standards Development & Accreditation Committee

<table>
<thead>
<tr>
<th>Standards Development &amp; Accreditation Committee</th>
<th>Eligible</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>T Gramlick</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>M Motto</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>D Singleton</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

The Chairman and other Board Members also attend Committee Meetings they are not Members of, as Observers or by Invitation.

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 & 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
- audit.

Remuneration & 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 & 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;
- 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; and
- review the recommendations from management about priorities for the development of Australian Standards and other documents in the public interest.

Auditor’s Independence Declaration

A copy of the auditor’s independence declaration is included on page 30.

Signed in accordance with a resolution of the directors.

W R Brooks
Chairman

M Fitzgerald
Director, Chair Finance, Risk and Audit Committee
Sydney, 16 October 2019
DECLARATION 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 2019, 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, 16 October 2019

DIRECTORS’ DECLARATION

In the directors’ opinion:

a) The financial statements as at 30 June 2019 and notes set out on 32 to 45 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

i) complying with Accounting Standards, Corporations Act 2001, 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 2019, 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

M Fitzgerald
Director, Chair Finance, Risk and Audit Committee

Sydney, 16 October 2019
INDEPENDENT AUDITOR’S REPORT

To the members of Standards Australia Limited


Opinion

We have audited the financial report of Standards Australia Limited (the registered entity), which comprises the statement of financial position as at 30 June 2019, 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 responsible entities’ declaration.

In our opinion the accompanying financial report of Standards Australia Limited, is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of the registered entity’s financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 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 registered entity in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor’s report is information included in the registered entity’s 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity’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 responsible entities either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity’s financial reporting process.

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.


This description forms part of our auditor’s report.

BDO East Coast Partnership

Gillian Shea
Partner
Sydney, 16 October 2019
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 $’000</th>
<th>2018 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2</td>
<td>36,477</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>14,463</td>
<td>12,141</td>
</tr>
<tr>
<td>Finance costs</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>1,310</td>
<td>1,039</td>
</tr>
<tr>
<td>Occupancy expense</td>
<td>2,052</td>
<td>2,008</td>
</tr>
<tr>
<td>Travel expense</td>
<td>2,300</td>
<td>2,280</td>
</tr>
<tr>
<td>Legal expense</td>
<td>1,830</td>
<td>3,030</td>
</tr>
<tr>
<td>Technology expense</td>
<td>1,500</td>
<td>1,828</td>
</tr>
<tr>
<td>Royalty expense</td>
<td>2,060</td>
<td>881</td>
</tr>
<tr>
<td>Consultancy expense</td>
<td>1,053</td>
<td>661</td>
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<tr>
<td>Membership expense</td>
<td>585</td>
<td>599</td>
</tr>
<tr>
<td>Other expenses</td>
<td>2,499</td>
<td>1,766</td>
</tr>
<tr>
<td>Net Income from Operations</td>
<td>6,819</td>
<td>6,300</td>
</tr>
<tr>
<td>Other Income</td>
<td>2</td>
<td>10,024</td>
</tr>
<tr>
<td>Net Gain/Loss on Investments designated as fair value through profit or loss</td>
<td>2,099</td>
<td>12,055</td>
</tr>
<tr>
<td>Profit before income tax expense</td>
<td>18,942</td>
<td>18,355</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>1(g)</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year after income tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive (loss)/income for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>18,942</td>
<td>18,355</td>
</tr>
</tbody>
</table>

The Statement of Profit or Loss is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position
As at 30 June 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 $’000</th>
<th>2018 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
<td>329</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5(a)</td>
<td>16,302</td>
</tr>
<tr>
<td>Other current assets – Prepayments and Other</td>
<td>6</td>
<td>1,038</td>
</tr>
<tr>
<td>Other current assets – Accrued Income</td>
<td>6</td>
<td>15,346</td>
</tr>
<tr>
<td>Financial assets - investments</td>
<td>7(a)</td>
<td>28,016</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>61,031</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5(b)</td>
<td>4,667</td>
</tr>
<tr>
<td>Financial assets - investments</td>
<td>7(b)</td>
<td>266,873</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>8(i)</td>
<td>5,413</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8(ii)</td>
<td>617</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td></td>
<td>279,842</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>340,873</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>9</td>
<td>3,780</td>
</tr>
<tr>
<td>Provisions</td>
<td>10(a)</td>
<td>1,079</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>11(a)</td>
<td>13,563</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>18,422</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>10(b)</td>
<td>574</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>11(b)</td>
<td>763</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td></td>
<td>1,337</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>19,759</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td>321,114</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>55,755</td>
<td>55,755</td>
</tr>
<tr>
<td>Retained surplus</td>
<td>265,359</td>
<td>246,417</td>
</tr>
<tr>
<td>TOTAL EQUITY</td>
<td></td>
<td>321,114</td>
</tr>
</tbody>
</table>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.
### Statement of Changes in Equity
For the year ended 30 June 2019

<table>
<thead>
<tr>
<th>Investment Revaluation Reserve</th>
<th>Retained Surplus</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2017</td>
<td>55,755</td>
<td>228,062</td>
</tr>
<tr>
<td>Profit after income tax expense for the year</td>
<td>-</td>
<td>18,355</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>-</td>
<td>18,355</td>
</tr>
<tr>
<td>Transfer of realised (gains)/losses to retained surplus</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>55,755</td>
<td>246,417</td>
</tr>
</tbody>
</table>

### Statement of Cash Flows
For the year ended 30 June 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from operations</td>
<td>14,629</td>
<td>10,908</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(26,480)</td>
<td>(25,621)</td>
</tr>
<tr>
<td>Net cash (outflow) from operating activities</td>
<td>(11,851)</td>
<td>(14,713)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for plant and equipment</td>
<td>(1,433)</td>
<td>(4,693)</td>
</tr>
<tr>
<td>Interest and distributions received</td>
<td>13,462</td>
<td>19,236</td>
</tr>
<tr>
<td>Net cash inflow from investing activities</td>
<td>12,029</td>
<td>14,543</td>
</tr>
<tr>
<td>Net (decrease)/increase in cash and cash equivalents held</td>
<td>178</td>
<td>(170)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>151</td>
<td>321</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the financial year</td>
<td>4</td>
<td>151</td>
</tr>
</tbody>
</table>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.
1. Statement of significant accounting policies

a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), Corporations Act 2001 and the Australian Charities and Not-for-profit 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 16 October 2019. The directors have the power to amend and reissue the financial report.

b) 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.

c) Financial assets

Classification and measurement

The company classifies its financial assets in the following categories: “investments at fair value through profit or loss” 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 profit or loss

These investments 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 profit or loss.

ii) 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.

Change in accounting policy

Investments classified as fair value through profit or loss were previously accounted for as investments at fair value through other comprehensive income. Management have adopted a change in accounting policy for these investments to align its practice with interpretative discussions by the International Financial Reporting Interpretations Committee (IFRIC) in September 2017.

Comparative figures have been restated in line with the new accounting policy.

The effect of this change in accounting policy is that the change in fair value in investments of $12.055m during the year ended 30 June 2018 as a result of this change in accounting policy.

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.

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.

d) 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.

e) Intangible assets

Intangible assets include developed software and other capitalised costs associated with the implementation of a new accounting policy 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 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 future 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 82(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 thousand dollars, or in certain cases to the nearest dollar.

i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable when control of the goods or services has passed. The Company early adopted the requirements of AASB 15. Revenue from Contracts with Customers in its revenue recognition policy. There was minimal impact on transition.

j) 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 are recognised as income when received or for subscription sales, royalty revenue is recognised over the term of the subscription.

k) Grant revenue

Grants from the government and other organisations are recognised at their fair value when grant monies have been received and the company complies with all performance obligations and conditions attached to the grant.

l) 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.

p) New accounting standards and interpretations

Australian Accounting Standards AASB 15 Revenue from Contracts with Customers was early adopted within the annual reporting period ending 30 June 2018, referenced in note 1.

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 2019. These are outlined in the table below.

Reference: AASB 16
Title: Leases

Summary: 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). Any lease rent expense will no longer be treated as an operating expense but will be classified as a financing activity.

Application date of standard: For financial years commencing after 1 January 2019.

Impact on financial report:

The estimates of the following impacts on the financial report on application of AASB 16 to opening balances at 1 July 2018:
- Increase to assets on the Statement of Financial Position of $7.3m (right to occupy asset);
- Increase to liabilities on the Statement of Financial Position of $7.3m (future lease obligations);
- An annual amortisation writeoff of the asset and liability of $1.4m annually; and
- An annual amortisation writeoff of the asset and liability of $1.4m annually.

Instead of rent expense the company will have an amortisation expense and an interest expense.

Application date for the company: 1 July 2019
Notes to the financial statements

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.

2. Revenue

Revenue from operating activities

Royalties 14,721 5,962
Grant received 2,628 2,627
Externally funded project revenue 392 852
Recoveries and other income 573 508

Revenue from investing activities

Investment distributions 17,513 22,053
Interest income 650 537

Total revenue 36,477 32,539

3. Expenses

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

Depreciation of plant and equipment 297 177
Amortisation of intangible assets 371 344
Depreciation of leasehold improvements 642 518

4. Cash and cash equivalents

Cash at bank and on hand 329 151

5. Trade and other receivables

(a) Current

Trade debtors 13,969 364
Other receivables 2,333 -
Less: Allowance for expected credit losses - -

6. Other assets

Current

Prepayments 1,038 1,079
Accrued royalty income 5,407 909
Accrued disbursement income 9,939 12,413
Other 67 -

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

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

(b) Non-current

Other receivables 4,667 -

67 14,468
### 7. Investments

**Financial assets – investments:**

#### At fair value

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>(a) Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in term deposits and other liquid assets</td>
<td>26,133</td>
<td>19,881</td>
</tr>
<tr>
<td>Franking credits receivable</td>
<td>1,883</td>
<td>1,279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,016</td>
<td>21,160</td>
</tr>
<tr>
<td>(b) Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in managed funds, designated as fair value through profit or loss</td>
<td>268,873</td>
<td>266,215</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>268,873</td>
<td>266,215</td>
</tr>
</tbody>
</table>

### 8(ii). Intangible assets

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Intangible assets – at cost</td>
<td>2,865</td>
<td>2,223</td>
</tr>
<tr>
<td>Less: Accumulated amortisation</td>
<td>(1,976)</td>
<td>(1,606)</td>
</tr>
<tr>
<td><strong>Net book amount</strong></td>
<td>889</td>
<td>617</td>
</tr>
</tbody>
</table>

### 8(iii). Plant and equipment

#### (a) Leasehold improvements

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Leasehold improvements – at cost</td>
<td>7,034</td>
<td>6,929</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(3,375)</td>
<td>(2,733)</td>
</tr>
<tr>
<td><strong>Net book amount</strong></td>
<td>3,659</td>
<td>4,196</td>
</tr>
</tbody>
</table>

#### Movements in leasehold improvements during the financial year

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>4,196</td>
<td>1,258</td>
</tr>
<tr>
<td>Additions/(disposals)</td>
<td>105</td>
<td>3,456</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(642)</td>
<td>(518)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>3,659</td>
<td>4,196</td>
</tr>
</tbody>
</table>

#### (b) Plant and equipment

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Plant and equipment – at cost</td>
<td>3,809</td>
<td>3,125</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(2,055)</td>
<td>(1,757)</td>
</tr>
<tr>
<td><strong>Net book amount</strong></td>
<td>1,754</td>
<td>1,368</td>
</tr>
</tbody>
</table>

#### Movements in plant and equipment during the financial year

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>1,368</td>
<td>446</td>
</tr>
<tr>
<td>Additions/(disposals)</td>
<td>683</td>
<td>1,099</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(297)</td>
<td>(177)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>1,754</td>
<td>1,368</td>
</tr>
<tr>
<td><strong>Total Plant and equipment</strong></td>
<td>5,413</td>
<td>5,564</td>
</tr>
</tbody>
</table>

### 9. Trade and other payables

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>178</td>
<td>364</td>
</tr>
<tr>
<td>Other creditors</td>
<td>3,602</td>
<td>1,519</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,780</td>
<td>1,883</td>
</tr>
</tbody>
</table>


#### (a) Current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td>1,079</td>
<td>913</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,079</td>
<td>913</td>
</tr>
</tbody>
</table>

#### (b) Non-current

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td>174</td>
<td>293</td>
</tr>
<tr>
<td>Restoration of leased property</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>574</td>
<td>693</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restoration of leased property</td>
<td>5,000</td>
<td></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>
<tr>
<td><strong>Total</strong></td>
<td></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.
11. Other liabilities

(a) Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred revenue</td>
<td>12,945</td>
<td>1,089</td>
</tr>
<tr>
<td>Special collections in advance</td>
<td>435</td>
<td>660</td>
</tr>
<tr>
<td>Lease incentive</td>
<td>183</td>
<td>183</td>
</tr>
</tbody>
</table>
---|---|---|
| Total                  | 13,563  | 1,332   |

(b) Non-current

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease incentive</td>
<td>763</td>
<td>946</td>
</tr>
</tbody>
</table>
---|---|---|
| Total                  | 763     | 946     |

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


Financial risk management

The company has exposure to a number of financial risks primarily related to its investment portfolio. The board's Finance, Risk & 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 twelve separate fund managers managing fourteen 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. Whilst the portfolio is structured to manage volatility, there are external influences and cycles that impact investment values and returns in the short term. As a not-for-profit organisation, the company's policy is to set short term operating expense budgets at a level that can be sustained by realistic medium term (5-7 year) investment returns. Accordingly whilst short term volatilities affect the value of investments and returns these are not considered as risks that will 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 $268,873,000 (2018 $266,875,000). Refer to note 7.

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 2019 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 $3,780,000 (2018 $1,883,000). The majority of these liabilities mature in less than 60 days.

13. 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:

- Not later than one year: 1,845
- Later than one year but not later than five years: 8,151
- Payable over five years: 373

The company leases office and car park 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 2019, the company had no commitments for capital expenditure (2018 $NIL).

14. Key management personnel

a) Directors

Directors of the company in office during the year are disclosed in the directors’ report that accompanies these financial statements.

b) Key management personnel compensation

- Total compensation: $1,848,402 ($1,609,443)

15. Contingent Liabilities

There are no unsettled contingent liabilities that have been incurred in relation to year ended 30 June 2019.

16. Events occurring after reporting date

Subsequent to balance date, the Company has negotiated a confidential settlement of ongoing disputes that includes both a payment and receipt of monies. These have been classified as an adjusting event and have been included in the financial statements.