

STANDARDS AUSTRALIA IS:

Australia's independent, not-for-profit developer of Australian Standards.

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Profile & Relevance

Stakeholder Engagement

International Influence and Alignment

Finance & Operations

PRODUCTION FIGURES 2013/2014

- 188 Australian Standards
- 52 Amendments
- 6 Handbooks
- 0 Supplements
- 1 Interim Standard
- 494 Reconfirmed Standards
 - 6 Technical Specifications
- 12 Technical Reports
- 0 Miscellaneous Publications
- 2 Rulings

STAKEHOLDERS CURRENT IN JULY 2014

- 2,519 Nominating Organisations
- 377 Active Technical Committees
- 492 Active Subcommittees
- 201 Active Working Groups

TOTAL NUMBER OF AUSTRALIAN STANDARDS AND RELATED PRODUCTS:

- 6,888 Australian Standards
- 1,122 Australian Standard Amendments
- 195 Australian Standard Supplements
- 60 Rulings
- 272 Handbooks
- 15 Miscellaneous Products/Publications
- 136 Technical Specifications/Reports

INTERNATIONAL PARTICIPATION BY AUSTRALIA

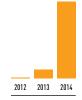
- 279 Participation in ISO Technical Committee and Subcommittees
- 87 Participation in IEC Technical Committees and Subcommittees
- 12 Participation in JTC 1 and JTC 2
 Subcommittees
- 22 Secretariats of ISO Technical Committees and Subcommittees
- 2 Secretariats of IEC Technical Committees and Subcommittees

2014 ANNUAL REVIEW

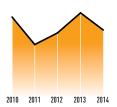
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HIGHLIGHTS











On the cover

Top: Members of HE-31 Traditional Chinese Medicine. Below: Standards Australia staff (left to right) Joan Beal, Nora Babikian, Numani Weerasuriya and Moitri Pal.



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MEMBER ORGANISATIONS

Chairman's Report: Dr Alan Morrison



It is with pride, and some nostalgia, that I write this last report as Chairman of Standards Australia.

The past year has been another productive and effectual year for the Board. In particular, we have undertaken significant steps to strengthen and further consolidate Standards Australia's role as the nation's peak standards body.

Led by the Board, Standards Australia has heightened its political outreach to ensure that the message of standards as a fundamental economic driver cannot be missed.

We have sought to articulate the role of Australian Standards as public policy solutions WE HAVE UNDERTAKEN SIGNIFICANT that support economic growth, trade and efficiency. In an increasingly austere budgetary environment, we have been proactive in outlining the benefits of standards as non-regulatory and FURTHER CONSOLIDATE STANDARDS cost-effective solutions. To both the private and public sector, we have outlined how appropriate **AUSTRALIA'S ROLE AS THE NATION'S** standards can pre-empt the need for government intervention and, through the consensus process, how standards assist in reflecting industry and stakeholder concerns. At a time when government is monitoring every aspect of expenditure, we have explained how Australian Standards offer a cost-effective alternative to government regulation and oversight and demonstrated how standards can lessen the future regulatory burden on business by improving quality and systems, supporting economic growth.

All this has led to further consolidation and validation of Standards Australia's critical role nationally and internationally.

I am proud to report that Standards Australia has continued to take a leadership role in the region and globally in the past financial year. We have supported a growing number of capacity building initiatives with our regional partners and beyond, and importantly, focused on outlining the role of Australian Standards in supporting trade. In many cases, standards are able to offer the bridge required to overcome distance and language to help ensure a product used in one



place can be used in another. More and more, standards are front-and-centre of a globalised economy.

The recruitment of a new Chief Executive Officer, due to the retirement of Colin Blair, was a major decision for the Board this year. The appointment of Dr Bronwyn Evans followed an exhaustive and rigorous process in which many high-calibre

> candidates were considered and assessed. We were mindful of ensuring a smooth transition to the new leadership in October 2013 for the benefit of our staff, committee members and stakeholders.

On behalf of the Board, I would like to acknowledge Colin's contributions and dedication to Standards Australia, which made such an impact across many industries and sectors. The

leadership of Colin, who refocused the organisation's efforts around our core mission of developing internationallyaligned Australian Standards, was respected by members and stakeholders alike.

I would also like to thank my fellow Board Members for their commitment and contributions throughout the year. We are lucky to have a dedicated group of experienced individuals who are committed to reinforcing Standards Australia's role in the advancement of our economy and society.

Dr Alan Morrison, Chairman

STEPS TO STRENGTHEN AND

PEAK STANDARDS BODY



CEO's Report: Dr Bronwyn Evans

aving worked at Standards Australia some 20 years ago, I had an idea in my mind as to what it would be like when I arrived last October to begin my role. The organisation has certainly changed, most particularly in the last few years.

I am lucky to have a very good team. We are focused, we are committed, and we are driven to deliver good results.

We are also fortunate to have such strong committees and nominating organisations to work with. Our engagement with governments and industry and consumer representatives this year makes me proud to work in an organisation that makes such a difference.

I would like to thank all of you who share our vision for doing your bit.

Our continuing success is based on the mutual commitments that we share to make Australian life better. We are ever conscious of the faith and trust placed in our organisation by our members and stakeholders to add Net Benefit to the Australian community.

And it has been a busy year.

Guiding standards development projects down a consensus path is challenging, unrelenting but equally rewarding. We have continued to invest significantly in technology. This year we rolled out a new enterprise project management system, which will make our job and your job easier, faster, simpler and better.

We have continued to focus on our catalogue of Australian Standards, with committees and staff working tirelessly on the review. On top of our already significant project work we have reviewed 974 Standards Australia publications this year - a substantial undertaking.

Our engagement with government and industry through our Industry Leaders Forums has allowed us to define our role on the regulatory spectrum and to advocate for the role of consensus-based internationally aligned standards as part of a modern outward-looking economy.

Our international footprint is as strong as ever and we continue to play a lead role as Australia's member of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). Our focus is on enhancing trade, investment opportunities and technology in the interests of Australia.

I would like to place on record my appreciation for the efforts of Standards Australia's former CEO Mr Colin Blair. My transition into the role of CEO in October 2013 was made so much easier by the way in which the role was handed over. I have since had reinforced that the high esteem in which the organisation is held is a tribute to Colin's dedication over many years.

I would also like to acknowledge our outgoing Chairman, Dr Alan Morrison, who has held the position since 2010, and been on the Board since 2003. We have been very fortunate to have a Chairman of Dr Morrison's stature for so many years. Alan's dedication and commitment to standardisation in Australia, and globally as a former President of the ISO, will leave a lasting legacy.

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Dr Bronwyn Evans, Chief Executive Officer

YEAR IN REVIEW FINANCIAL YEAR

IT HAS BEEN A BUSY,
CHALLENGING AND REWARDING
YEAR IN OUR STANDARDS
DEVELOPMENT OPERATIONS
AREA. WE CONTINUED TO STRIVE
TOWARDS EXCELLENCE IN
STANDARDS DEVELOPMENT WITH
TECHNOLOGY, PROCESSES AND
PEOPLE FORMING THE BASIS OF
OUR IMPROVEMENT EFFORTS.

STANDARDS DEVELOPMENT ACTIVITIES

We completed and commenced a range of projects of different complexities for all sectors of the Australian economy. Each in its own way adds to the Net Benefit of the Australian community, supported by broad communities of interest.

Through both our Standards Australia Resourced and Externally Funded standards development pathways, we supported the interests of industries, governments and consumers in developing solutions to often-complex problems. We are proud of the work that we do and proud of the results we have achieved. Our Externally Funded pathway in particular continues to be a solution of choice for industries and governments.

During the year, we implemented a new enterprise-wide project management system, known as IRIS, to improve efficiency. By financial year-end we were back to productivity levels comparable with those before the introduction of the system. We are now focused on ensuring that the next 12 months will see us capitalise on the efficiencies that the system brings for us, committee members and Nominating Organisations.

Our ongoing project to review standards over 10 years old also occupied staff and committees throughout the year. We have now reviewed 974 standards and are well on the way to completion.

We acknowledge and thank drafting leaders, committee members, Nominating Organisations and stakeholders for working closely with us in driving and delivering Australia's standards agenda.

E-NEWS HEADLINES

enews.standards.org.au



Foundational Standard for Smart Grids Spring 2013



LP Gas-fuel Systems for Vehicles November 2013



Forum: Standards to Boost Energy Productivity May 2014



New Playground Standards April 2014



Toy Safety: Standards Australia Calls For Vigilance December 2013



INTERNATIONAL PARTICIPATION

Standards Australia's growing role in international standards development at both governance and technical levels is critical to increasing Australia's

access to global markets. For many years Standards Australia has maintained a strong reputation and leadership roles in international standardisation. Represented by Standards Australia, Australia holds positions at all ISO, IEC and JTC 1 governance forums and chairs the regional standards grouping, the Pacific Area Standards Congress (PASC) and the Specialist Regional Bodies Forum.

Additionally, Australia currently has the following representation within key governance groups covering ISO and IEC:

- Mr Adrian O'Connell, General Manager Operations, Standards Australia has been re-elected for another 3 year term to represent Australia on the ISO Technical Management Board (TMB). In addition, Mr O'Connell has taken over the role of Chair for the Executive Committee of PASC.
- Dr Ralph Craven continues to participate on the IEC Council Board, a key decision-making body equivalent to the board of directors.
- Dr Ian Oppermann was appointed to the IEC Market Strategy Board. This innovative Board identifies the principal technological trends and market needs in the IEC's fields of activity.
- Mr Kim Craig is undertaking his second year as Member on the IEC Standardization Management Board (SMB). The SMB is responsible for the management and supervision of IEC's standards work.
- Mr Ian Forte was elected to the IEC Conformity
 Assessment Board (CAB) following on from Dr James
 Galloway. The CAB is responsible for the management and supervision of the IEC's conformity assessment activities.

Dr Bronwyn Evans leading a panel discussion at PASC, Kuala Lumpur, Malaysia

Standards Australia also continues to have a strong presence within the IEC and was represented at the 77th IEC General Meeting in New Delhi, India in October

2013. In addition, we were pleased to support the Australian representatives taking part in the IEC Young Professionals Program. This program brings together the world's young up and coming engineers, technicians and managers and provides them with opportunities to engage in and shape international standardisation and conformity assessment in the field of electro-technology.

Representatives from Standards Australia also attended the ISO General Assembly in St Petersburg, Russia in September 2013. These representatives participated in workshops including 'Strategic Challenges facing the ISO', 'ISO's Business Model' and 'Partnerships and New Services'.

Standards Australia also continues to be represented on the JTC 1 Governance Committee on Management, Planning and Directives and was pleased to host the Committee in Sydney in May 2014.

Internationally Aligned Australian Standards

Standards Australia, to the maximum extent possible, seeks to align Australian Standards with the relevant international standards. Of the 188 Standards published in 2013/14, 52 per cent of these were Identical (76) or Modified (22) to International Standards. There were also seven Australian or joint technical reports and technical specifications published which adopted international standards.



DRIVING INNOVATION IN INFORMATION, COMMUNICATIONS & TECHNOLOGY (ICT)

We have continued to build on the important work of ISO/IEC Joint Technical Committee 1 (JTC 1) in the key focus areas of information security, software systems engineering and cloud computing. Our National Mirror



As part of a wider engagement strategy, we hosted a number of forums, workshops and events specifically for the sector on topics like:

- Using IT Governance to Improve Business Decision-Making;
- Cloud Computing Service Level Agreement (SLA) Framework and Terminology; and
- The Future of Cloud.

These outreach events attracted existing and new stakeholders, demonstrating Australia's growing interest in standards development for ICT. We are grateful for the support of our partners and experts in hosting these events.

Our international engagement in ICT continues to grow. Cloud computing, IT Service Management and IT Governance were a strong focus in standards development for us this year.

AUSTRALIA NOW
HOLDS BOTH THE CHAIR
AND INTERNATIONAL
SECRETARIAT — A FIRST FOR
STANDARDS AUSTRALIA
WITHIN JTC 1

Australia was instrumental in establishing a new international sub-committee for IT Service

Management and IT Governance. This is a major milestone for Standards Australia, as it ensures that IT governance gets the attention and focus it warrants. Australia now holds both the Chair and International Secretariat - a first for Standards Australia within JTC 1.

Collaboration with nominating organisations is critical for Australia's ongoing success in ICT standardisation. Our of Mr John Sheridan, Department of Finance, provides timely advice, guidance and support to assist Australia's involvement. Through these efforts, Australia is now involved to acknowledge and thank the Committee for its hard work and ongoing support in these areas.

SHAPING INTERNATIONAL CONSUMER POLICY

This year, Australia led the development of a new work prioritisation process within the ISO Consumer Policy Committee (ISO COPOLCO). Driven by the new process, the committee identified key consumer issues that may benefit from the development of international standards, and created a cooperative and collaborative environment for consumer groups and national standards bodies from across the world to come together.

The following topics were identified as potential areas for international standards development or future focus areas for the Committee:

- Unit pricing Outdoor furniture
- Artificial fireplaces Customer communication
- Toy safety
- Children's furniture

During the 2014 ISO COPOLCO Plenary, the committee resolved to pursue the development of an international standard for unit pricing.

Standards Australia's active participation on ISO COPOLCO has ensured Australia continues to broadly influence and shape ISO policy in the consumer products, services and safety sector. It has also provided Australia with valuable insight into international consumer trends, behaviours and priorities.

ELECTRIC VEHICLES

With the aim of supporting the uptake of electric vehicle technology in Australia, Standards Australia is implementing a prioritised standards work program to guide standards development work. The state governments of New South Wales, Victoria and Queensland, in partnership with the Victoria Automobile Chamber of Commerce and other industry stakeholders are jointly funding this significant program of work.

Additionally, we are on the verge of adopting a series of ISO and IEC safety and terminology related standards specifically

> for the electric vehicle industry. This development will provide clarity, direction and confidence for government, industry and consumers of electric vehicle infrastructure and technology.

In the past year, our work in implementing the electric vehicle standards road map has achieved international recognition. Standards Australia was recently invited to present at the APEC 2014 Senior Officials meeting in Qingdao, China. The objective of



Damian Fisher (left) and Adrian O'Connell

at APEC 2014, in

Ningbo, China

JTC 1 Strategic Advisory Committee under the Chairmanship in Smart Cities, Internet of Things and Big Data - all of which are emerging and important areas for Australia. We would like this international delegation meeting, represented by 22 economies, was to look at opportunities to harmonise available international standards. The outcomes would support electric vehicle operations in APEC economies. Discussions are now underway to develop a standards road map for the APEC region with Australia taking on an important role in this future work.



Industry agreed that standards are needed in relation to communication and data security and should be developed in light of important energy market reform around smart metering infrastructure specifications and energy

MINIMUM ENERGY

GIVE CONSUMERS THE

PERFORMANCE STANDARDS

CONFIDENCE THAT PRODUCTS

USF LESS FNFRGY AND HAVE

LOWER RUNNING COSTS

INTERNATIONAL ALIGNMENT AND COLLABORATION WITH LIFTS – TOWARDS A UNIFIED CODE

In late April 2014, Standards Australia hosted two ISO/TC 178 committee meetings working on standards for lifts, escalators and moving walkways. Delegates included representatives from the international lift industry as well as national code writing and enforcing authorities from Canada, China, England, France, Germany, Hong Kong, India, Japan, Korea, South Africa, and the USA amongst others.

Standards Australia's capabilities were once again highlighted at an international level with many delegates commenting on the quality of Standards Australia's resources, activities and output.

In May 2014, we hosted an educational workshop on the new version of the CEN lift standards, EN81-20 and EN81-50. Visiting CEN delegates, some of whom were the leading participants in the development of the new revision, led discussions and provided attendees with a valuable and rare opportunity to discuss the revision in the context of the Australian lift industry.

SMART GRID

In 2012, Standards Australia, together with the Australian Government, published The Australian Standards for Smart Grid:
Standards Roadmap. This important piece of work identifies the need for foundation and supplementary standards to support the commercialisation of smart grid. The first foundation standard, AS 5711 Smart grid vocabulary was published in late 2013. Following this milestone, Standards Australia held an industry workshop to identify the next areas of priority.

ENERGY PRODUCTIVITY

We have continued to work with the Australian Government to develop standards that support energy productivity. An important program of work includes the development of Minimum Energy Performance Standards (MEPS). MEPS are mandated by legislation to ensure electrical equipment meets a minimum energy performance level before it reaches the market. This gives consumers the confidence that products use less energy and have lower running costs. AS/NZS 5813.2 Information technology equipment – Energy performance of computers – Minimum energy performance standards (MEPS) for computers was recently updated and published.

We also published a new standard to support demand response technology: AS/NZS 4755.3.3 Demand response capabilities for electrical products – Interaction of demand

response enabling devices and electrical products – Operational instructions and connections for electric storage and electric-boosted storage water heaters.

ELECTRICAL SAFETY

In 2013, Standards Australia approved the revision of AS/NZS 3000:2007 Wiring Rules and work on the revision began in 2014. Wiring Rules outlines the fundamental safety principles relating to electrical installations. The document provides a critical safety framework for the energy and electrotechnology, the building and construction and the transport and logistics sectors.



INDUSTRY LEADERS FORUM

Our Industry Leaders Forum continues to be an important platform for highlighting the value of Australian Standards to key decision-makers in our community, including business leaders and government representatives. The forum facilitates engagement between our members and standards developers and broader government and industry stakeholders responsible for public policy decisions.



Dr Bronwyn Evans and Dr Alan Morrison meet with the Hon Josh Frydenberg, Parliamentary Secretary to the Prime Minister

This year, guest speakers included:

- The Hon Bob Baldwin MP, Parliamentary Secretary
- The Hon Bruce Billson MP, Minister for Small Business;
- The Hon Josh Frydenberg, Parliamentary Secretary to the Prime Minister: and
- The Hon Paul Fletcher MP, Parliamentary Secretary for Communications.

STANDARDS AWARDS

Each year through the Standards Awards, we recognise individuals, and one committee, who have made significant contributions to standards development and demonstrated outstanding service to our organisation and the community. These exemplary individuals enable Standards Australia to achieve the objectives for which it was founded - to enrich the quality of life for all Australians.

This year's awards were presented at the Mid-Year Council meeting in Sydney. Congratulations to all recipients.

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Award Recipients

DISTINGUISHED SERVICE AWARD

Brian Phillips

MERITORIOUS CONTRIBUTION AWARDS (NATIONAL)

Rod Johnston, Alan Law

MERITORIOUS CONTRIBUTION AWARDS (INTERNATIONAL)

Judith Ellis, Ken Guthrie, Jim Munro ••••••

OUTSTANDING COMMITTEE AWARD

CS-086 - Burning Behaviour - Textile Products, Floor Coverings and Furniture

YOUNG LEADERS PROGRAM

The Young Leaders Program, launched three years ago, has developed into an effective means of supporting the next generation of committee members.

Designed to bring together Australia's up and coming engineers, technicians and managers with experienced professionals in their chosen fields, the program gives young professionals the opportunity to become involved in national and international standards development. At the same time, the program helps to strengthen and prepare our committees and processes to support younger committee members.

The program provides formal training in drafting standards, writing for a non-technical audience and international standards development. Participants can also undertake courses in facilitation, negotiation and leadership skills, and are paired with an experienced mentor who has extensive committee experience. Each participant also has the opportunity to attend relevant technical committee meetings and be actively involved in standards development projects.

In 2013, ten young professionals were selected to participate in the training and direct exposure to the standards development process. One of the highlights of the program was a speech by Marita Cheng, the 2012 Young Australian of the Year and founder of Robogals, at the Young Leaders Forum.

2013 Young Leaders

1	
Alexander Watson	Ishaan Khanna
Amy Seppelt	Jemima Jackson
Ashley Martin	Randy Low
Christopher McGreal	Steven Humphries
Damian Joseph	

ABSDO

ABSDO'S MISSION IS

TO "ENCOURAGE AND ACCREDIT ORGANISATIONS

TO DEVELOP AUSTRALIAN STANDARDS OF CREDIBILITY AND INTEGRITY FOR THE NET BENEFIT OF THE AUSTRALIAN COMMUNITY".

ACCREDITATION BOARD FOR STANDARDS DEVELOPMENT ORGANISATIONS

The Accreditation Board for Standards Development Organisations (ABSDO) accredits Australian organisations to develop standards relevant to their own industries and have these standards recognised as Australian Standards. This accreditation process ensures all Australian Standards retain the quality inherent in the rigorous, transparent and internationally aligned development process.

ABSDO is autonomous and is appointed by, and responsible to, the Standards Australia Council. It is recognised in the Memorandum of Understanding (MoU) between the Commonwealth Government and Standards Australia, and consists of up to nine members who represent the Standards Australia Council's membership categories, and one member representing the Standards Australia Board. Members are elected for terms of three years with a maximum of three terms.

There are currently five accredited Standards Development Organisations (SDOs):

- Australian Forestry Standards Limited (AFSL);
- Communications Alliance (CA);
- Fisheries Research and Development Corporation (FRDC);
- Rail Industry Safety and Standards Board (RISSB); and
- Pharmacy Guild of Australia (PGA).

2013 - 2014 Milestones

A strategic planning workshop was held in March 2014 with Board members, representatives from the Standards Australia Board, the CEO of Standards Australia, and one invitee from the SDOs.

The following key points were resolved during the workshop:

- While ABSDO continues to be independent of Standards
 Australia's operations and is ultimately responsible to the
 Standards Australia Council, ABSDO's stance will become
 more of a partnership role with closer liaison at senior level;
- Becoming an accredited SDO was just one pathway available to proponents that want to establish an Australian Standard; this pathway has distinct advantages for some organisations;
- ABSDO will not independently promote its own brand or accreditation activities, however new opportunities may be identified and explored through two-way communication between ABSDO and Standards Australia;
- 4. ABSDO will promote its brand and pathway internally with Standards Australia in order to give staff a better

understanding of the ABSDO pathway; and
5. Special arrangements will be made with Standard
Australia's National Sector Managers to promote the
ABSDO pathway, and how this pathway may be of benefit
to prospective clients as a viable solution to their needs.

Several years ago ABSDO suggested that a logo be developed that would uniquely identify an Australian Standard



irrespective of which organisation (Standards Australia or an SDO) had developed it. The design and specifications for the logo's use were finalised in

2013 and it is now being incorporated on the covers of all Australian Standards.

A proposal was received from ISO for the development of an international standard covering the chain of custody of forest products. The Australian Forestry Standards Limited (AFSL) was asked to advise Standards Australia on Australia's position. AFSL voted to proceed with the project and for Australia to become an observing member. As a result, AFSL will be providing the technical input to ISO PC 287 Chain of custody of forest-based products – Requirements.

Reaccreditation audits were conducted on Rail Industry Safety and Standards Board (RISSB) and AFSL. In view of their performance they were both reaccredited for a further three years. The voluntary audit of Standards Australia, which takes place early each year, was deferred at the request of Standards Australia and will be carried out in 2015.

During the year, SDO Seafood Services Australia ceased trading. Due to the importance to the seafood industry of AS SSA 5300 Australian Fish Names Standard, the Fisheries Research and Development Corporation (FRDC) took over responsibility for the Standard. FRDC was accredited in September 2013 to develop Australian Standards in the fields of terminology, sustainability and operational practices in the seafood industry. More information on FRDC is available at http://frdc.com.au

An outstanding Contribution

As his tenure draws to a close, Chairman of Standards Australia, Dr Alan Morrison, reflects on his career and the future of standards development.

Interview by Alison Scotland

Alison Scotland: Standards were once mainly perceived as tools solving problems for engineers. How do you view their importance today?

Alan Morrison: Not only were they tools for engineers; standards were also introduced to facilitate international trade. With the foundation of the International Electrotechnical Commission (IEC) in 1906, and the International Organisation for Standardisation (ISO) in 1947, standards increased the efficiency and ability to manufacture and transfer products from country to country.

Today, the role of standards has spread from facilitation of trade and technical information to an increased social function. During my career, standards have evolved from technical specifications into documents that allow businesses to become more efficient.

AS: How has standards development changed?

AM: There is a general understanding that the future of standards development depends on bodies like Standards Australia being able to develop standards quickly for fast moving modern industries. It is no longer acceptable to take three years to develop a standard for a product with a life cycle of three years.

Standards Australia increased the speed of standards development projects in order to meet the needs of the community. Using computer techniques and a 'living laboratory' approach, we refined critical pathways and increased the efficiency of our operational activities. This approach has even been adopted by ISO to promote to other National Standards Bodies.

Another change to standards development in Australia relates to the criticism of Standards Australia as a monopoly. The 1995 Keane Report recommended that Standards Australia reorganise its structure to enable it to serve more effectively as the peak body for standards writing in Australia.

POSITIONS HELD

President of ISO, President-Elect 2008, President 2009–2010

Chairman of the World Standards Cooperation (ISO/IEC/ITU) 2010

Leader of the Australian delegation to ISO and PASC, 2009–2013

Chairman of the Standards Australia Certification and Testing Standing Forum 2007–2009

Chairman of TC 004 Business Governance 2004–2008 The Accreditation Board for Standards Development Organisations (ABSDO) was later created to encourage other standards developers. Exacting criteria on standards development projects were also established to ensure that projects focused on serving the national good and contributing to the net benefit of all Australians. As a result, Standards Australia is no longer thought of as a monopoly body for the development of standards.

AS: What are some of your career highlights?

AM: A key highlight would have to be my appointment as the first and only Australian President of ISO. When I was President Elect, I wrote down a list of everything I wanted to achieve during my time in office. It included encouraging involvement of non-developed and developing nations in standardisation, raising awareness about the economic importance of standards in developing countries, and assisting to build National Standards Bodies. In my two years, I managed to complete roughly 80% of my objectives. I also helped to develop ISO's first five-year strategic plan, which is now an important planning and operational tool. I also helped to set up the process to initiate a restructure of the organisational constitution, to make it more efficient and effective. This work was completed under my successor, Dr Boris Aleshin.

In my four years as Chairman of Standards Australia, I have seen such an improvement in the way Standards Australia relates to its Board and Council members. Annual General Meetings are now a positive affair, and there is peace amongst our supporters; much of which is due to the thoughtful work of former CEO Colin Blair. I look forward to seeing this continue in our new structure, with everyone working together towards operational efficiency and excellence in performance.

AS: What are you proud of achieving as Chairman?

AM: During my time, we have moved towards being an organisation that is financially independent of government and industry. This gives us the freedom to focus on what is important for the Australian community and to have perpetual independence. It also allows us to concentrate on our purpose to lead and promote an unbiased standards development process and excel in the provision of contemporary, internationally aligned standards for the benefit of the Australian community.

It also creates the right atmosphere for constructive discussion with government. Standards Australia is not seen as an organisation constantly lobbying for funding, but an organisation that wants to do the right thing for Australia in partnership with government and industry.



Clockwise from top left: Celebrating Standards Australia's 90th anniversary. in 2011 with former Chairmen Don Grav. and George Edwards, former Board members Louise Cox and Richard Dixon Hughes, and former Chairman John Castles; With IEC president. Jacques Régis atop Pyramid of the Sun. Mexico City, 2010: At 75th IFC General Meeting, Melbourne, 2011: With Hu Tingzhao. Vice Mayor of Shanghai Municipal Government, 2010; With the Hon Senator Eric Abetz, then Federal Shadow Minister for Industrial Relations, and former

CEO Colin Blair, 2013.

I had the ambition to serve with a Board that was competent, dedicated to standards development and willing to make the personal effort to ensure Standards Australia continued to be a great organisation. The Board, supported by talented and dedicated staff, has, I believe, achieved such goals. Standards Australia is particularly well positioned to be even more successful in the future.

AS: What are your most memorable moments in standards development?

AM: When I was President of ISO, the development of a standard on social responsibility was very revolutionary at the time. Traditionally, international standards had distinct parameters, setting minimum acceptable levels. Social responsibility went beyond the minimum standard acceptable to many nations. Countries, such as America and China initially rejected the standard for different reasons. The eventual adoption took ISO beyond its traditional subject areas because it challenged the concept of standards providing 'minimal acceptable' conditions and was ahead of government policy in many nations.

Another memorable moment was when I was Chair of the World Standards Cooperation, the peak body for international standards liaison. With the then-president of the IEC, Jacques Régis, we managed to get the Presidents and Senior Executives to agree on closer working relationships for standards development. Unfortunately it is taking much longer for such sentiment to be adopted across the whole of ISO, IEC and ITC. However – one day!

AS: What is your vision for Standard Australia?

AM: I would like Standards Australia to continue as a totally independent body that is focused on standards development activities that contribute towards the national good. To do this we need to ensure that we have mechanisms in place to drive this objective and promote the concept of standards as an effective alternative to red tape. This includes increasing the efficiency and timeliness of standards development projects. We also need to increase the awareness of the importance of voluntary standards as a tool in the regulatory spectrum.

My hope is for Standards Australia to be an organisation developing standards in a timely manner appropriate to industry needs and with a distribution system that gives ease of access to all who use them. I would like the value of standards and the cost of standards production and distribution to be recognised and met by those who benefit from their production, and for the economic benefits of standards to be recognised and supported by all Australian governments.

I would also like to see standards development aligned to national research and development programs, and an education system that teaches standardisation at technical colleges and universities in the non-technical faculties of business, economics and law. This will encourage a new generation of standardisers to fill the increasing gap of people able and willing to devote their time to becoming members of standards organisations and Technical (Standards) Committees.

AS: How does Australia's standard development measure up against other countries?

AM: Australia's culture certainly lends itself towards being a high performing standards developer. Success as a National Standards Body means achieving a balance between top-down and bottom-up drivers. Top-down means you are focussing on standards that have a national interest for the social and economic good of the nation, coming from government policy and industry drivers. However, you still need the bottom-up, driven by the knowledge and experience of members of Technical Committees.

That said, Australia still has some work to do. Countries such as Germany and, particularly, Korea, have managed to create greater awareness of the economic value of standardisation with their governments and seem to have gained greater government support.

Australia can certainly hold its head up high as a country that has a first class National Standards Body. We develop standards well, but are we developing the right standards for the national benefit in a timely enough manner?

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 Extract in the Directors Report on page 19.

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 investment portfolio underpins our financial independence and differentiates us from many other international National Standards Bodies who are dependent on the proceeds from the sales of Standards and industry and government support.

The principles of our financial model are:

- To ensure the organisation is financially sustainable in the short, medium and long term, that is to live within its means, so it can fulfil its objectives as Australia's peak standards body in perpetuity;
- To acknowledge in our business planning that whilst investment returns will
 fluctuate from year to year, short term operating cost levels and performance
 targets should, where possible, be consistent from year to year and align with
 average long term investment return expectations;
- To maximise long term investment returns through professional active management, and by optimising the balance between risk and return; and
- To maintain the real value of the investment portfolio in the long term, through an appropriate policy of 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 limited resources available are highly focused on achieving excellence in our core activity of developing internationally aligned Australian Standards in the national interest.

INVESTMENT OBJECTIVE

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 investment earnings is reinvested annually to ensure that the portfolio maintains its real value and is sufficient to meet inflated costs in the future.

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

THE INVESTMENT YEAR

Following on from strong investment market performance last year, the 2014 financial year has delivered very similar results. In response to a range of economic challenges, the extremely supportive monetary policy settings of major developed world central banks continue to underpin the post GFC recovery while at the same time exerting a significant influence on markets. Asset purchase programs implemented by the US Federal Reserve and Bank of Japan coupled with extraordinarily low interest rates across the developed world have continued to support asset price appreciation over the

The post GFC recovery of the major developed world economies has progressed over the past year and leading economic indicators suggest 2014 offers the prospect of further progress. The U.S. recovery is most advanced with recent growth approaching a 3% annual rate while European growth remains tepid and in need of additional policy support. The European Central Bank recently announced further monetary support measures which included cutting Interest rates to 0.15%, in line with many other major developed

Australia's official cash rates were reduced to 2.5% in August 2013, and have remained at that level throughout the year, with the RBA signalling that there is likely to be a period of stability in interest rate settings. The Australian economy continues to show signs of improvement with increasing residential construction and early signs of a recovery in consumer spending in response to lower rates.

Whilst the Australian dollar is trading about 10% lower than 2013 levels it remains high by historical standards and certainly the RBA regards it as overvalued and impacting Australia's competitiveness.

The Australian equities market (ASX/S&P 300) rose by 17% during the year, on the back of a 22% increase in 2012/13. Global macro factors continued to exert a strong influence on the performance of key sectors. Resources significantly underperformed other sectors of the market due to lower

commodity prices and lower earnings while record low interest rates have seen investors continue to favour high yielding stocks such as banks and telecommunications. In many cases share prices have increased by more, and in some cases much more than underlying company earnings.

Unhedged overseas equities returned 20% for the year, slightly lower than hedged overseas equities at 24%. Emerging markets underperformed developed markets as a whole, but outperformed the UK and Japan. Growth in China and India has slowed, and other countries such as Brazil and Indonesia, which have previously attracted strong capital inflows, have been hurt by the US tapering program which has resulted in some reversal of flows to those markets.

The Australian property market performed strongly during the year. Low interest rates and excess global liquidity have been factors driving the offshore demand for Australian property which is pushing up prices despite some evidence of softer occupier fundamentals.

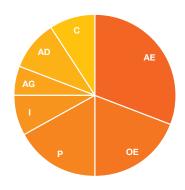
INVESTMENT PORTFOLIO

The Board's policy is that the portfolio is actively managed by specialist investment managers in each asset class, With the support of a professional investment adviser the Finance, Risk and Audit Committee closely monitors investment performance to ensure the portfolio is positioned appropriately for the prevailing economic environment and to meet the investment objective. The Committee engages JANA Investment Advisers to support the committee and reviews their performance against a range of investment and service criteria on an annual basis.

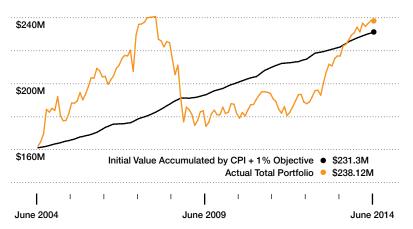
Whilst there were no changes in the Strategic Asset Allocation during the year, the continued growth in equity markets prompted the withdrawal of some funds from this class which were reallocated across lower growth/risk classes and cash. The portfolio is currently invested with 14 actively managed wholesale investment funds with a portion of the portfolio held directly in bank term deposits, in total \$238.1m at 30 June 2014.

THE INVESTMENT PORTFOLIO STRUCTURE AS AT 30 JUNE 2014

Sector	\$M	%	Key
AUSTRALIAN EQUITIES	73	31	AE
OVERSEAS EQUITIES	45	19	OE
PROPERTY	41	17	Р
INFRASTRUCTURE	19	8	1
ALTERNATIVES-GROWTH	15	6	AG
ALTERNATIVES - DEFENSIVE	24	10	AD
CASH & TERM DEPOSITS	21	9	С
	238	100 9	/0



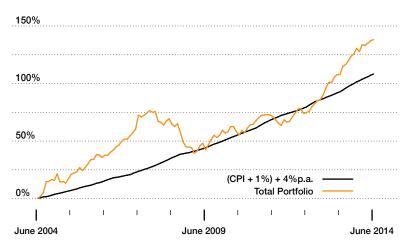
PORTFOLIO VALUATION



This 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 (\$161.1M) accumulated by CPI +1% p.a.

INVESTMENT PERFORMANCE

	2013/14 % pa	Since inception (2004) % pa
Actual return	14.7	9.1
Objective (CPI + 1%) + 4%	8.1	7.6



This chart shows the actual cumulative investment performance compared to the investment objective performance (defined as CPI +1%, the annual retention amount, plus 4% p.a.).

FINANCIAL SUMMARY (YTD \$'000) - YEAR ENDED 30 JUNE 2014

	Standards Development					ation Board SDOs Investmer		stment TOTAL \$ '0		_\$ '000
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget		
Operating revenue	8,945	8,293	19	25	_	_	8,964	8,318		
Operating expenses	17,354	17,521	60	93	_	_	17,414	17,614		
	(8,409)	(9,228)	(41)	(68)	_	_	(8,450)	(9,296)		
Net Investment revenue/ growth	_	_	-	_	30,837	16,780	30,837	16,780		
Net result	(8,409)	(9,228)	(41)	(68)	30,837	16,780	22,387	7,484		

Operating revenues are 8% above budget overall. This is due mainly to higher than budgeted royalties from the sale of published Australian Standards, including some adjustments relating to prior years.

Operating expenses are 1% below budget overall. The main variances are lower technology costs (\$233k); lower depreciation charges (\$92k) and lower travel costs (\$215k); offset by higher employment costs from unbudgeted termination payments (\$189k).

Net investment revenue/growth has been significantly ahead of budget reflecting an extremely strong equities market. The ASX S&P 300 rose by 17% and the World MSCI (unhedged) rose by 21%. Overall investment portfolio performance is 14.7% (budget 8.1%) for the year and 9.1% since inception in June 2004.

2014

FINANCIAL RESULT

The Statement of Profit or Loss and Other Comprehensive Income on page 28 is restated below to differentiate between operations and investment activities:

	2014	2013
	\$'000	\$'000
OPERATIONS		•
Revenues	8,964	8,736
Expenses	(17,413)	(16,819)
Operations Deficit	(8,449)	(8,083)
INVESTMENTS		
Managed Funds distributions	12,129	10,524
Investment surplus	12,129	10,524
Net Profit (Reported P&L)	3,680	2,441
OTHER COMPREHENSIVE INCOME		
Net revaluation of investments at year end	18,708	25,066
	18,708	25,066
Total Comprehensive Income	22,388	27,507

2012

Directors'

REPORT

The Directors present their report on Standards
Australia Limited for the year ended 30 June 2014.

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 year.

DIRECTORS

The Directors in office for the whole of the year and up to the date of this report are set out on pages 22 to 24, together with their qualifications, experience and special responsibilities. Colin Blair was a Director from the commencement of the financial year until retirement on 25 October 2013.

COMPANY SECRETARY

The Company Secretary is Archer Whetham, FCPA, FCIS, FGIA. Before joining Standards Australia Limited in January 2004 he held various senior financial management and company secretarial positions including director and secretary of a listed funds management company.

OPERATING RESULTS

The profit of Standards Australia Limited for the year was \$3,680,000 (2013 profit \$2,441,000).

REVIEW OF OPERATIONS

The principal activities of Standards Australia Limited have been fulfilling the role as Australia's peak standards body in the development of Australian Standards. The 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.

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 EXTRACT

CORE FOCUS: DEVELOPMENT OF CONTEMPORARY,
NATIONAL AND INTERNATIONALLY-ALIGNED STANDARDS
IN THE NATIONAL INTEREST AND TO CONTRIBUTE TO
INNOVATION AND PRODUCTIVITY.

1 PROFILE & RELEVANCE

1.1 **Objective:** There is widespread appreciation among our nominating organisations, the broader Australian community, governments, business and other leaders, of the role of standards in advancing well-being, safety, prosperity and innovation

Strategies for achievement

- Lead and promote a balanced and transparent standards development process and act in the national interest.
- Promote our role in supporting and advancing Australia's technical infrastructure, trade and international competitiveness.
- Ensure the development and maintenance of contemporary Australian Standards of a high quality in the national interest for public net benefit
- Ensure clarity of the role of Australian Standards in product conformity

Current activities

- Implementation of an integrated and comprehensive engagement strategy aimed specifically at Government and Industry leaders
- Working with the leaders of the Technical Infrastructure bodies (NATA, JAS-ANZ, NMI) in Australia on a collaborative engagement strategy
- Facilitating ways for the Commonwealth Government and Councillors to provide feedback to improve our organisation, engagement and communication
- Developing and implementing a communications plan on the importance and mechanism of compliance with Australian Standards
- Prioritisation of Standards development in the national interest for public net benefit

Measures of success

- Continuation of MOU with Commonwealth Government and recognition of peak body status
- Standards Australia is actively engaged with relevant Ministers and Heads of Departments at Commonwealth and State level.
- There are respected and high profile community or industry leaders willing to act publicly as Standards Australia's champions
- Commonwealth Government maintains funding for international Standards participation
- The value of Standards in the community is widely recognised

2 STAKEHOLDER ENGAGEMENT

2.1 **Objective:** Members, Nominating Organisations and Committee Members across all sectors are informed, engaged and committed

Strategies for achievement

- Ensure we understand stakeholder needs, issues and priorities
- Ensure stakeholders are actively involved in priority setting
- Engage stakeholders to commit and contribute to the development of standards

Current activities

- Regular liaison with Member and Nominating Organisations at all levels
- Appropriate relationship management at Sector level including engagement through Sector Advisory Forums and International Policy Committee
- Engagement with stakeholders on Standards work programs and priority needs
- Provision of seminars and information services to support new Standards

Measures of success

- Sector engagement plans implemented for all sectors
- Growth in new stakeholder engagement and new areas of standardisation activity
- Personal engagement by leaders of Nominating Organisations is occurring regularly
- The economic value of standards is understood by business leaders and the community in general
- Feedback from stakeholders supports the engagement and communication strategy

2 STAKEHOLDER ENGAGEMENT (Continued)

2.2 **Objective:** Committee participation is valued and continually attracts new and next generation contributors

Strategies for achievement

- Improve Nominating Organisation engagement
- Improve contributors recognition
- Promote value and benefits of standardisation
- Develop and refine committee tools and processes to support ease of engagement

Current activities

- Ensuring adequate representation by small business, consumer organisations, professional/ industry associations and State & Territory governments.
- Using Governance processes to ensure committees are relevant and balanced
- Dissemination of information to Committee Members
- Training program for Committee Members
- Improvement of service delivery to Committee Members through enhanced IT systems
- Engagement with next generation of Committee Members

Measures of success

- Online and face-to-face training and induction for Committee Members and Chairs available and used.
- Active mentoring program for new committee experts being undertaken within committees.
- Increased number of Committee contributors
- Committee member age profile reflects workforce age norm for experienced staff

3 INNOVATION

3.1 **Objective:** Standards Australia is connected to Australian and regional business and innovation networks

Strategies for achievement

- Promote the inclusion of Standardisation practices and benefits in higher education.
- Collaborate with the research, education and business communities to foster innovation

Current activities

- Developing a plan to establish links with research and educational institutions
- Undertake forecasting of likely innovation areas through stakeholder interactions at all levels

Measures of success

- The appreciation of the value of Standardisation is part of undergraduate and post graduate education.
- There are Standards developed in new and emerging areas

4 INTERNATIONAL INFLUENCE AND ENGAGEMENT

4.1 **Objective:** Standards Australia is recognised as the exemplar national standards organisation due to the efficiency and effectiveness of its standards development processes and the quality of its staff and other representatives

Strategies for achievement

- Align with Commonwealth Government's international policies and priorities
- Increase regional engagement and networks to enhance trade and safeguard consumers
- Adopt international standards to the maximum extent feasible
- Australia-only Standards will only be developed where appropriate
- Play a leading role at ISO and IEC at technical, governance and policy levels
- Engagement on international committees that deliver net benefit to Australia
- Strategy to work closely with Standards New Zealand to support the important bilateral trade agreements and relationship

Current activities

- High level of participation at key international and regional organisations including ISO, IEC, PASC
- Ongoing operational and strategic cooperation with Standards New Zealand
- Active engagement in International Policy Advisory Groups for ISO and PASC
- Provide leadership on targeted international committees
- Influence the development of and maximise use of relevant international Standards
- To play a leading role in Pacific Area Standards Congress
- Increased engagement regionally, in line with current Commonwealth priorities

Measures of success

- The application of the net benefit test to all international work to deliver improved value and effectiveness of Australia's international engagement
- Standards Australia has a reputation as a valued contributor and leader on international committees
- Australia is able to influence international standards policy direction and settings by maintaining membership of ISO, IEC, PASC, COPANT and CEN
- Australian priorities are reflected in the level of representation on international technical committees and policy groups

5 FINANCE AND OPERATIONS

5.1 **Objective:** Finances are secure and sustainable for long term viability

Strategies for achievement

- Focus on keeping operating expenses within sustainable level
- · Maintain real value of investment corpus

Current activities

- Actual operating results y/e 30/6/14 were within budget and sustainable
- Budget for y/e 30/6/15 is sustainable

Measures of success

- Investment portfolio compounded annually by
 CPI + 1% to ensure real level maintained
- Minimum annual investment returns of CPI + 1% + 4% (averaged over rolling 7 year period) with moderate volatility of returns
- Operate within annual budgets

5.2 **Objective:** Company culture is innovative, dynamic and rewarding

Strategies for achievement

- Create a positive dynamic work environment which encourages innovation and recognises good performance
- Ensure appropriate learning and development programs are in place

Current activities

- Ensuring good internal communication is continued
- Cultivating the capabilities of staff
- Building leadership and management capability
- Ensuring there is a workplace culture where staff are proud and want to work at Standards Australia
- Create an alumni program for Standards
 Australia staff who leave so they can remain
 connected with the company
- Ensure processes maximise people productivity

Measures of success

- Increased staff effectiveness
- Retention of key staff
- Increased productivity and stakeholder satisfaction
- Alumni of Standards Australia are proud to be ambassadors for Australian Standards and Standards Australia within their new organisations

5.3(a) **Objective:** Standards Australia offers a choice of deliverables and pathways that are valued and meet the differing needs and means of stakeholders

Strategies for achievement

- Ensure options for development are communicated and understood
- Ensure infrastructure and capacity to support different deliverables and pathways

Current activities

- Various development pathways are available: Standards Australia resourced, externally funded, or accredited by ABSDO
- Developing training programs for staff and stakeholders
- Current suite of Standards reviewed to ensure only relevant Standards are retained

Measures of success

- Increased participation across all pathways delivering greater public net benefit and supporting sustainability
- Success of ABSDO accredited organisations
- Externally funded pathway operates in a manner that supports Standards Australia's mandate and strategic objectives
- Quality control/assurance processes work effectively
- All Standards older than 5 years have been reviewed for technical relevance

5.3(b) **Objective:** Resources are expended where they deliver the highest public net benefit in the national interest

Strategy for achievement

 Ensure transparency of project selection and prioritisation to maximise public net benefit

Current activity

 Fair and equitable implementation of project prioritisation program and criteria

Measure of success

 Continued stakeholder support for project prioritisation process and criteria

5.3(c) **Objective:** Standards development processes and performance are best practice

Strategies for achievement

- · Create a culture of continual improvement
- Implement ICT Strategy
- Standards development process to be efficient, effective and timely

Current activities

- Developing ICT platform and flexible processes
- · Project management capability enhanced

Measures of success

- Recognised as best practice in the development of Standards
- Significant improvement in Standards productivity
- Integrated technology solutions are operational
- Electronic meeting capability is available
- Standards Australia has a contemporary catalogue of standards

CURRENT DIRECTORS







3 4

6 7

ALAN MORRISON

BSc, M Pub Admin, PhD, CPEng, FAICD, FCMI, FIEAust, FIET, FIERE

Former positions include President of the International Organization for Standardization (ISO); Chairman of the World Standards Cooperation (the peak coordination body of ISO, IEC and ITU); Leader of the Australian Delegations to ISO and PASC; Chairman Standards Australia Certification and Testing Standing Forum.

Special responsibilities: Board Chairman; Member or Observer on all Board Committees; Member National Committee of the IEC; Member International Policy Advisory Committee.

RICHARD BROOKS

B Ec., FCPA, FAICD

Managing Director of Tyne Solutions Pty Ltd a provider of business and association management services; Director Furniture Cabinet Joinery Alliance Ltd.

Former positions include 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 Board.

Special responsibilities: Deputy Board Chairman; Chairman Finance, Risk & Audit Committee; Member Accreditation Board for Standards Development Organisations; Chairman of Standards Technical Committee FP-20.

3

PETER BURN

B.Ec (Hons), Ph.D

Director of Public Policy for Australian Industry Group; Director of Industry Funds Australia; Alternate Director and Investment Committee Member of Australian Super; Member of Investment Advisory Board of IFM Investors Pty Ltd; Member Research Impact Advisory Board, Australian Technology Network; Member Manufacturing Sector Advisory Council, CSIRO.

Former positions include Director – Policy at the Business Council of Australia; Graduate economist in the Commonwealth Treasury; and academic positions in the Economics Department of the University of Newcastle and the University of Queensland.

Special responsibilities: Chairman Strategy Committee.

LIBBY CHRISTIE

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

Executive Director The Australian Ballet; Non-Executive Director Orchestra Victoria.

Former positions include Executive
Director Arts Funding, Australian Council
for the Arts; Managing Director of
Sydney Symphony; President, Monster
Asia Pacific, TMP Worldwide; Managing
Director, Business & Government
Marketing, Telstra; National Government
Sales Manager, Optus; various senior
roles in Institute of Technology and
Canberra CAF.

Special responsibilities: Chair Remuneration & Nominations Committee; Member Strategy Committee.

PETER COCKBAIN

BScEng (Hons), FIE AUST, FTSE, FIPENZ, CPEng

Founder and Technical Director of Ampcontrol; Member of the University of Newcastle Council and Member of its Finance and Capital Development Committee and Strategic Development Committee.

Former positions include 2006
National President of Engineers
Australia; Member of the Standards
Australia Electrical Standards
Sector Board; Engineers Australia
representative on the Prime Minister's
Science, Engineering and Innovation
Council and the Future Manufacturing
Industry Innovation Council.

Special responsibilities: Member Standards Development Committee; Member Remuneration & Nominations Committee.

DAVID SINGLETON

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

Member of Council, Swinburne University of Technology; Chairman, Infrastructure Sustainability Council of Australia; Board of CELM, EA.

Former positions include Group Board member and Director, Arup Group; CEO and Chairman, Arup Australasia; Chair, Standards Australia Buildings Standards Sector Board; Chair and 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 Strategy Committee.

JAMES TINSLAY

BScEng

5

Director JCT Advisory Pty Ltd; Executive Director Business Group Australia; Director NECA Group Training Pty Ltd; Alternate Director NSW Electrical Superannuation Scheme; Director Mechanical and Electrical Redundancy Trust Pty Ltd.

Former positions include Chief
Executive Officer National Electrical and
Communications Association; Director
of 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 Committee; Member Finance, Risk & Audit Committee.



MEETINGS OF DIRECTORS

	DIREC MEET			E, RISK & DMMITTEE		ATEGY MITTEE	& NOMI	ERATION NATIONS MITTEE	DEVELO	DARDS DPMENT MITTEE
DIRECTOR	Α	В	Α	В	Α	В	Α	В	Α	В
A Morrison	4	4	4	4	2	2	4	4	*4	*4
C Blair	1	1	*1	*1	*1	*1	*1	*1	*1	*1
R Brooks	4	4	4	4	_	_	_	_	*1	*1
P Burn	4	4	_	_	2	2	_	_	_	_
L Christie	4	4	_	_	2	2	4	4	_	_
P Cockbain	4	3	_	_	_	_	4	3	4	3
D Singleton	4	3	_	_	2	2	_	_	_	_
J Tinslay	4	4	4	4	_	-	*1	*1	3	3

KEY: A = meetings eligible to attend B = meetings attended * = attended ex officio, observer or by invitation

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, Director and Committee Member 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.

STRATEGY COMMITTEE

The Committee's primary objectives are to assist the Board in considering and setting the Company's overall strategic direction and objectives, in particular to:

- Consider proposals from management to set or change the long and short term strategic objectives and the 5 Year Strategic Plan;
- Provide advice to management and monitor implementation of the 5 Year Strategic Plan; and
- Assist the Board with its relationship with Standards New Zealand.

STANDARDS DEVELOPMENT 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. 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 Standards Development Organisations as required, and to ensure compliance 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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is included on page 25. Signed in accordance with a resolution of the directors.

W A Morrison Chairman

Sydney, 29 August 2014

W R Brooks Deputy Chairman

AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 2 9251 4100 Fax: +61 2 9240 9821 www.bdo.com.au Level 11, 1 Margaret St Sydney NSW 2000 Australia

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF STANDARDS AUSTRALIA LIMITED

As lead auditor of Standards Australia Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- ${\it 2.} \quad \hbox{No contraventions of any applicable code of professional conduct in relation to the audit.}$

Paul Bull Partner

BDO East Coast Partnership

Sydney, 29 August 2014

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a Ltd company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

Financial STATEMENTS

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) The financial statements as at 30 June 2014 and notes set out on pages 28 to 41 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001, and other professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position and performance of the company as at 30 June 2014, 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 A Morrison

Chairman

Sydney, 29 August 2014

W R Brooks Deputy Chairman

INDEPENDENT AUDITOR'S REPORT



Tel: +61 2 9251 4100 Fax: +61 2 9240 9821 www.bdo.com.au Level 11, 1 Margaret St Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Standards Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of Standards Australia Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 *Corporations Act 2001* 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Standards Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Standards Australia Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

BDO East Coast Partnership

Paul Bull Partner

ВÐС

Sydney, 29 August 2014

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee, BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member ins. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014 $\,$

		2014	2013
	Notes	\$'000	\$'000
Revenue	2 -	21,225	19,390
EXPENSES			
Employee benefits expense		10,814	10,339
Finance costs		5	4
Depreciation and amortisation expense	3	653	623
Other expenses from ordinary activities	_	6,073	5,983
	_	17,545	16,949
Profit before income tax expense		3,680	2,441
Income tax expense	1 (f)	<u> </u>	<u>-</u>
Profit for the year		3,680	2,441
OTHER COMPREHENSIVE INCOME			
Items that will not be classified to profit or loss:			
Investments revaluation	12	18,708	25,066
Total comprehensive income		22,388	27,507

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

		2014	2013
	Notes	\$'000	\$'000
CURRENT ASSETS	•••••••••••••••••••••••••••••••••••••••	••••••••••••	•••••••••••
Cash and cash equivalents	4	2,045	1,885
Trade and other receivables	5	141	367
Other current assets	6	985	676
Total current assets		3,171	2,928
NON-CURRENT ASSETS			
Financial assets – investments	7	238,116	216,909
Plant and equipment	8	2,410	2,470
Total non-current assets		240,526	219,379
Total assets		243,697	222,307
CURRENT LIABILITIES			
Trade and other payables	9	845	1,436
Provisions	10(a)	655	726
Other current liabilities	11(a)	3,299	3,146
Total current liabilities		4,799	5,308
NON-CURRENT LIABILITIES			
Provisions	10(b)	840	928
Other non-current liabilities	11(b)	1,608	2,009
Total non-current liabilities		2,448	2,937
Total liabilities		7,247	8,245
NET ASSETS		236,450	214,062
EQUITY			
Reserves	12	31,004	16,548
Retained surplus	13	205,446	197,514
TOTAL EQUITY		236,450	214,062

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 2014

		2014	2013
	Notes	\$'000	\$'000
Profit for the year		3,680	2,441
Net increase/(decrease) in investment revaluation reserve	12(a), 1(b)	18,708	25,066
Net income and expense recognised directly in equity		18,708	25,066
Total changes in equity for the year		22,388	27,507

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			-
Receipts from operations		8,796	8,360
Payments to suppliers and employees		(17,792)	(15,865)
Net cash (outflow) from operating activities	14	(8,996)	(7,505)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investment securities		(13,715)	(18,550)
Payments for plant and equipment		(606)	(365)
Proceeds from investment sales		14,316	19,051
Interest and distributions received		9,161	8,734
Net cash inflow from investing activities		9,156	8,870
Net increase/(decrease) in cash and cash equivalents held		160	1,365
Cash and cash equivalents at the beginning of the financial year		1,885	520
Cash and cash equivalents at the end of the financial year	4	2,045	1,885

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

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 Corporations Act 2001.

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 29 August 2014. The directors have the power to amend and reissue the financial report.

New and amended standards adopted by the company

The company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2013:

- AASB 13 Fair Value Measurement and AASB 2011-8
 Amendments to Australian Accounting Standards arising from AASB 13. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting standards. The standard provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2013). This standard changes the definition of short-term employee benefits from "due to" to "expected to" be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is discounted allowing for expected salary levels in the future period when leave is expected to be taken.

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.

b) Investments

Other financial assets - managed fund investments

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.

The company has early adopted AASB9 Financial Instruments, effective 1 July 2011 and has made an irrevocable election to present any changes to the fair value of investments in other comprehensive income.

Purchases and sales of financial assets are recognised on settlement date, which is the date that an asset is delivered to or by an entity.

When investments are sold, the accumulated realised fair value adjustments recognised in equity are transferred directly to Retained Earnings.

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.

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) 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 noncurrent 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.

f) Income tax

The Company is exempt from income tax under section 8.2(c) of the table in section 50-40 to the Income Tax Assessment Act 1997 in that it is a body that promotes the development of Australian "industrial resources" through the preparation and publication of industrial standards.

g) Rounding of amounts

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

h) Revenue

Investment distributions from managed funds are recognised as income in the period that entitlement is established. Income from royalties is recognised as income over the period the sales to third parties relate. Income from grants is recognised in the period that the grant is receivable. Income from externally funded standards development projects is 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.

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 30 June 2014

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 are disclosed as operating cash flows.

j) 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.

k) 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.

I) 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.

m) 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.

n) 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.

o) New accounting standards and interpretations

There are no Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective that are applicable to the company for the annual reporting period ending 30 June 2014.

p) 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.

Restoration of leased property

The company leases office space under a non-cancellable operating lease expiring 30 June 2019. The company is required to restore the leased premises of its office space to its original condition at the end of the lease term. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the leasehold improvements and are amortised over the term of the lease.

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.

Long service leave provision

The company's assumptions in determining the provision for long service leave are set out in item (e) of this note.

	0014	0010
	2014	2013
	\$'000	\$'000
2. REVENUE		
Revenue from operating activities		
Royalties	4,305	3,879
Grant received	2,677	2,666
Externally funded project revenue	1,742	2,049
Recoveries and other income	240	142
	8,964	8,736
Revenue from investing activities		
Investment distributions	11,462	9,970
Interest income	799	684
	12,261	10,654
Total revenue	21,225	19,390

	2014	2013
	\$'000	\$'000
3. EXPENSES		•••••••
Expenses from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following:		
Net loss from sale of property, plant and equipment	1	14
Depreciation of plant and equipment	421	400
Leasehold improvements amortisation	232	223
Rental expense relating to operating leases	1,243	1,203
	2014	2013
	\$	\$
Remuneration of current auditors	Ψ	Ψ
Auditing the financial report	31,000	30,000
Other services – audit relating to publishing licence agreement, audit of	39,811	12,415
Commonwealth Grant and other funding agreements, and provision of taxation advice	33,011	12,415
	70,811	42,415
	2014	2013
	\$'000	\$'000
4. CASH AND CASH EQUIVALENTS		······································
Cash at bank and on hand	2,045	1,885
	2,045	1,885
5. TRADE AND OTHER RECEIVABLES		
Trade debtors	141	367
	141	367

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

Prepayments	323	160
Accrued income	621	502
Other	41	14
	985	676

		2014	2013
	Notes	\$'000	\$'000
7. INVESTMENTS			
Financial assets – investments:			
At fair value			
Investments in managed funds	15(e)	215,727	200,371
Investment in term deposits and other liquid assets		22,389	16,538
		238,116	216,909
Risk exposure			
For an analysis of the sensitivity for other financial assets for market risk, refer to note 15.			
8. PLANT AND EQUIPMENT			
(a) Leasehold improvements			
Leasehold improvements – at cost		2,714	2,714
Less: Accumulated amortisation		(1,553)	(1,321)
Net book amount		1,161	1,393
Movements in leasehold improvements during the financial			
Opening not book amount		1,393	1,559
Opening net book amount Additions		1,393	57
Amortisation expense		(232)	(223)
Closing net book amount		1,161	1,393
(b) Plant and equipment			
Plant and equipment – at cost		4,498	4,355
Less: Accumulated depreciation		(3,249)	(3,278)
Net book amount		1,249	1,077
Movements in plant and equipment during the financial year			
Opening net book amount		1,077	1,184
Additions		606	308
Transfer to other expenses		(12)	-
Disposals		(1)	(15)
Depreciation expense		(421)	(400)
Closing net book amount		1,249	1,077
Total plant and equipment		2,410	2,470
9. TRADE AND OTHER PAYABLES			
Trade creditors		294	416
Other creditors		551	1,020
		845	1,436

		2014	2013
	Notes	\$'000	\$'000
10. PROVISIONS			
(a) Current			
Employee benefits		655	726
		655	726
(b) Non-current			
Employee benefits		440	528
Restoration of leased property		400	400
		840	928
Movements in non-current provisions other than employee benefits during the financial year:			
		Restoration of leased property	
2014		\$'000	
Carrying amount at start of year		400	
Increment arising from revised estimate		<u> </u>	
Carrying amount at end of year		400	

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.

		2014	2013
	Notes	\$'000	\$'000
11. OTHER LIABILITIES			
(a) Current			
Deferred revenue		1,537	1,341
Special collections in advance		1,360	1,403
Lease incentive	1(n)	402	402
		3,299	3,146
(b) Non-current			
Lease incentive	1(n)	1,608	2,009
		1,608	2,009
Lease incentive represents the unamortised portion of amounts received to enter into the operating lease for Sydney office accommodation.			
12. RESERVES			
Investment revaluation reserve		31,004	16,548
		31,004	16,548
(a) Movement in reserves			
Investment revaluation reserve			
Opening balance		16,548	(9,239)
Transfer of realised (gains)/losses to retained surplus	13	(4,252)	721
Net revaluation of investments at year end		18,708	25,066
		31,004	16,548

(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.

	2014	2013
Notes	\$'000	\$'000
13. RETAINED SURPLUS		
Retained surplus at the beginning of the financial year	197,514	195,794
Transfer from reserves 12	4,252	(721)
Surplus for the year	3,680	2,441
Retained surplus at the end of the financial year	205,446	197,514
14. RECONCILIATION OF SURPLUS FOR THE YEAR END TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	3,680	2,441
Interest and distribution income	(12,261)	(10,552)
Depreciation and amortisation	653	623
Net (gain)/loss on sale of plant and equipment	1	14
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(83)	375
Increase (decrease) in payables	(815)	(557)
Increase (decrease) in other assets	(12)	-
Increase (decrease) in other provisions	(159)	151
Net cash (outflow) from operating activities	(8,996)	(7,505)

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 & Audit Committee assists the Board in overseeing and fulfilling its responsibilities relating to risk management. Independent investment advisers monitor the performance of all investments and advise the Board on investment strategy, asset allocation and the selection of individual fund managers. Funds are invested with a diverse range of professional licensed fund managers, primarily via pooled entities (e.g. unit trusts). Investments cover a range of investment styles, strategies, geographical sectors and risk profiles. There are twelve separate fund managers covering 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 constructed to manage volatility, there are external influences and cycles that impact investment values and returns in the short term.

As a not-for-profit organisation the company's policy is to set short term operating expense budgets at a level that can be sustained by realistic medium term (5-7 year) investment returns. Accordingly whilst short term volatilities affect the value of investments and returns these are not considered as risks that will 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 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 managed funds investments of \$215,727,000 (2013 \$200,371,000). Refer to note 7.

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

2014 Asset Class	Volatility Factor	Asset class weighting at reporting date	Impact on profit* \$'000	Impact on equity \$'000
Australian Equities	20%	31%	NIL	14,595
Overseas Equities	20%	19%	NIL	8,933
Property	11%	17%	NIL	4,552
Infrastructure	9%	8%	NIL	1,760
Alternatives – growth	13%	6%	NIL	1,903
Alternatives – defensive	8%	10%	NIL	1,898
Cash and term deposits	1%	9%	NIL	150
		100%		

2013 Asset Class	Volatility Factor	Asset class weighting at reporting date	Impact on profit* \$'000	Impact on equity \$'000
Australian Equities	21%	31%	NIL	14,003
Overseas Equities	22%	22%	NIL	10,464
Property	11%	17%	NIL	4,092
Infrastructure	10%	9%	NIL	1,863
Alternatives – growth	14%	5%	NIL	1,591
Alternatives – defensive	9%	9%	NIL	1,800
Cash and term deposits	1%	7%	NIL	101
		100%		

^{*} Impact on profit is NIL as these investments are not held for trading and any gains or losses on these investments are recognised in other comprehensive income and reflected in the investment revaluation reserve.

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 2014 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 \$845,000 (2013 \$1,436,000). The majority of these liabilities mature in less than 60 days.

e) Fair value measurements

As required by the amendment to the accounting standard 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:

	2014	2013
Level 2	\$'000	\$'000
Other financial assets – managed	215,727	200,371
fund investments	<u> </u>	

	2014	2013
	\$'000	\$'000
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:		
Not later than one year	1,310	1,255
Later than one year but not later than five years	5,801	5,416
Later than five years		1,492
	7,111	8,163

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

b) Capital expenditure commitments

At 30 June 2014, the company had no commitments for capital expenditure (2013 NIL).

17. 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) Other key management personnel

Executive	Position
Colin Blair, retired 25 October 2013	Chief Executive Officer
Bronwyn Evans, appointed 28 October 2013	Chief Executive Officer
Adrian O'Connell	General Manager Operations
Archer Whetham	Chief Financial Officer / Company Secretary

	2014	2013
	\$	\$
(c) Key management personnel compensation		
Short-term employee benefits	1,347,272	1,207,417
Superannuation benefits	102,713	79,084
Employee long service leave benefits	241,422	177,744
	1,691,407	1,464,245

18. CONTINGENT LIABILITIES

In April 2014 litigation was commenced against the Company in relation to alleged representations regarding Australian Standards AS 1657-1992 Fixed platforms, walkways, stairways and ladders – Design, construction and installation and AS 1657-2013 Fixed platforms, walkways, stairways and ladders – Design, construction and installation. The applicant seeks orders for damages and other relief. On 2 June 2014, Standards Australia filed its defence in the proceeding. The extent of any liability that may arise from this litigation cannot be reliably estimated.

19. CONTINGENT ASSETS

The Company is a party to a publishing licence agreement under which the Licensee has an exclusive right to publish Australian Standards and other specified materials developed by the Company. Under that agreement the Company is entitled to receive royalties primarily based on net revenue from publishing sales. A review of the calculation of royalties is being undertaken and it is expected that an additional amount will be due to the Company. At the date of these Financial Statements there is no reasonable basis for estimating the amount receivable.

20. 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
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
The Australian Council on Healthcare Standards
Australian Council of Trade Unions

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
Australasian Procurement and Construction Council Inc
Australian Retailers Association

Australian Steel Institute
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

Consumer Electronics Suppliers Association

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

















































































Council of Small Business of Australia Ltd

Council of Textile and Fashion Industries of Australia Limited

Department of Industry

Energy Networks Association Ltd









Energy Safe Victoria Engineers Australia

Exemplar Global

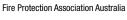
Federal Chamber of Automotive Industries











Forest & Wood Products Australia

Furntech - AFRDI

Galvanizers Association of Australia











Government of South Australia

Government of Western Australia - EnergySafety

Housing Industry Association Ltd









Insurance Council of Australia

JAS-ANZ (Joint Accreditation System of Australia and New Zealand)

Lighting Council Australia

Master Builders Australia









Master Plumbers Australia

Materials Australia

Medical Technology Association of Australia

Minerals Council of Australia









National Association of Testing Authorities Australia

National Electrical and Communications Association

National Retailers Association

National Safety Council of Australia Ltd









NSW Business Chamber

Packaging Council of Australia

NSW Fair Trading

Plastics and Chemicals Industries Association Inc

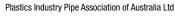


POP









Property Council of Australia

Royal Australian Chemical Institute Inc

Standards New Zealand







Telstra Corporation Limited

Water Services Association of Australia

Welding Technology Institute of Australia



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