



ANNUAL REPORT 2019-2020





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ABOUT AIQS

The Australian Institute of Quantity Surveyors (AIQS) is the peak professional body for built environment cost professionals. As an individual member-based professional body, the role of AIQS is to raise the profile of the profession through the development and delivery of educational, professional, and technical standards, the delivery of new information, and continuing professional development.

Through leadership, standards, education, communications and its code of conduct, AIQS ensures that members are dedicated to maintaining the highest standards of professional excellence.

AIQS is a not-for-profit company limited by guarantee. AIQS operates with Chapters representing each state and territory of Australia as well as an International Chapter.

BOARD OF DIRECTORS DURING 2019-20



Mark Chappé FAIQS, CQS
President



Stephen Warne FAIQS, CQS
Senior Vice President



Andrew Brady FAIQS, CQS
Junior Vice President



Prof. Anthony Mills FAIQS, CQS
Treasurer



Fiona Doherty FAIQS, CQS



Dhammika Gamage FAIQS, CQS



Leong Choong Peng FAIQS, CQS



Mike O'Shea FAIQS, CQS



Simon Squire FAIQS, CQS



Tom Ford FAIQS, CQS



Debbie Marsh AAIQS, CQS



Andrew Baulch MAIQS, CQS



Robin Wheelwright FAIQS, CQS



Jane Northey MAIQS, CQS



PRESIDENT'S MESSAGE



Since the start of 2019-20 year, which was a start much like any other year, things have changed dramatically. Who would have thought twelve months on we would not be considering a short trip to another part of our country let alone an international journey? Or that a simple handshake with a friend or colleague is now socially unacceptable? Many of our personal plans have had to change to suit this pandemic created environment and so has AIQS had to re-think the way we do things for our members, which for many have changed needs.

Business-as-usual now has to be a new 'usual', which we all hope will return to past normality sooner rather than later. Whereas the AIQS's strategic outcomes that were concluding as part of the 2015-20 strategic plan did not change, the way we delivered them this year has had to. Communication with our members and with the wider community is a vital strategic goal for the AIQS and a large part of achieving this goal was face to face meetings, which has been curtailed.

For instance, the AIQS has been prevented from hosting the important executive lunches / forums in most states and territories in Australia this year or for me visiting our International Chapter members. To offset this, AIQS has embraced electronic communication by enhancing the content and quality of our fortnightly emailed bulletins to all members.

And instead of attending Chapter meetings in person, myself and the CEO are video conferencing with our Chapter Presidents on a regular basis to communicate and relay information on developments within the AIQS structure.

Whereas currently you are not seeing the Institute's office bearers in the flesh as much as we would like our members to see us, rest assured AIQS is still very focused on delivering for our members.

The head office staff and the Board are highly active and committed doing activities that support the AIQS's strategic goals such as continually advocating to industry bodies and governments that in order to raise the quality of the built environment, our members should be taking a leading role from project conception to beyond completion.

The expanding take-up of the Certified Quantity Surveyor designation by the AIQS's experienced members is integral part of this process.

In these different and challenging times, I wish all our members fortitude and good health and when we emerge on the other side, we will be stronger and wiser.

Mark Chappé FAIQS, CQS
AIQS President



CEO'S MESSAGE



Over 2019-20, AIQS continued to play a critical role across the broader Quantity Surveying profession, putting members first and ensuring we remained active, engaged and advocating on their behalf throughout yet another tough but successful year.

As we all know, 2019-20 saw the quantity surveying profession and the broader construction sector impacted by both bushfires and COVID-19, with AIQS providing timely information to members with respect to the impact these events have had to on-site inspections for progress claims, extension of time requests, delay claims, and inspections for tax depreciation assessments.

As indicated by the AIQS President, much of our direct engagement with members, members firms, government agencies, and other stakeholders was significantly impacted by COVID-19 over the second half of 2019-20. That said, life and business continued through the application of technologies enabling virtual meetings and collaboration.

The AIQS continued its engagement with government agencies around the country, particularly in NSW with the Institute providing feedback in relation to the governments implementation of the Building Stronger Foundations Report and the 10-Point Commitment to the Construction Industry.

We had the last of our Executive Forums, in their current format, which have worked extremely well in engaging with members and broader stakeholders across the construction sector. Going forward, a new format will be instigated with greater participation and input from chapters.

In light of recent commentary in relation to building construction integrity, it is likely that quantity surveyors will be called upon to provide greater assurance at specific times pre, during, and post construction.

Financially, the Institute remains in a strong position with positive results over the past four years and reserves in excess of \$2M.

I would like to take this opportunity to thank our Corporate Partners - RIB Software, Buildsoft, Member Advantage Insurance Broking, and Rawlinsons - for their ongoing support of AIQS and its members.

Despite the challenges brought on by COVID-19, I commend head office staff for their professionalism and willingness to not only embrace change, but proactively identify and deliver initiatives for the benefit of members over the past year.



CEO'S MESSAGE

Acknowledgement must be given to the commitment and dedication provided by members who have volunteered their time and expertise over the past year contributing to the AIQS Board, Chapter Councils, national committees and working groups.

Moving forward, we have the opportunity to challenge the historical norms associated with quantity surveying and drive meaningful change which will promote the value proposition and regard for the profession.

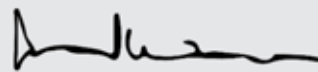
Our mission to deliver exemplar, built environment cost professionals, is supported by our new 2020-25 Strategic Goals which will usher in new and dynamic initiatives.

By 30 June 2025, AIQS will be:

1. recognised as the pre-eminent brand in the industry
2. at the forefront of education for the profession
3. seen as driving industry standards and technology innovation
4. leading a profession which is diverse and inclusive
5. having a robust membership base reflecting the depth and breadth of the industry.

To help achieve these goals, our governance structure will be both agile and supportive.

After what has been a difficult year for many, I wish all AIQS members a well deserved break over Christmas and New Year and look forward to actual face-to-face engagement with members and other professionals in the construction sector, raising the profile and value proposition of the Quantity Surveyor.



Grant Warner
Chief Executive Officer



GLOBALLY RECOGNISED BRAND

In being recognised as a global brand, AIQS has a significant presence across the Middle East and Asia with substantial member numbers and offices in both Qatar and the United Arab Emirates. In order to better support members and drive growth and engagement, the International Chapter has been restructured into two formal regions - Region 1 (Asia) and Region 2 (Middle East).

AIQS has continued its membership and participation of the International Ethics Standards Coalition and the International Construction Measurement Standards Coalition, the International Cost Engineering Council (ICEC), and Pacific Association of Quantity Surveyors (PAQS). As a contributing member of the coalitions, the AIQS has agreed to support the adoption of the IES and ICMS.

The strategic alliance with the New Zealand Institute of Quantity Surveyors was further updated throughout the year, with a common template contract for quantity surveying consultancy services being published. In 2019, the New Zealand Institute of Quantity Surveyors (NZIQS) commenced distribution of the Built Environment Economist to its members, with the NZIQS providing additional content.

AIQS continued its international engagement with kindred organisations at the PAQS conference in Kuching (Malaysia) in August 2019. The PAQS conference originally scheduled to be held in Singapore in July 2020 (then subsequently September) was cancelled due to COVID-19.





CREDENTIAL OF CHOICE FOR CLIENTS AND MUST HAVE MEMBERSHIP

As at 30 June 2020, AIQS had a total of 5,413 members, welcoming 176 new members.

AIQS RECOGNISING GRADUATES

A Graduate membership grade was established to provide a membership category for those members who have recently completed a relevant university degree. Graduate membership provides a stepping-stone from Student to Member grade. As at 30 June 2020, there were 41 Graduate members.

MEMBERS RETURNING TO AIQS

Over the past year, we have restructured membership re-instatement procedures, putting the focus on standards compliance and continuing professional development to ensure high levels of professionalism are maintained.

COMMITTEE STRENGTHENS MEMBERSHIP

During 2019-20, our Membership Committee undertook a review of the APC Assessor Training material, reviewed membership entry and advancement processes and procedures, and firmed up CQS assessment procedures.

AFFILIATE GRADE UNDER REVIEW

A review of the Affiliate Member grade was undertaken in order to progress as many of those members Member grade as possible. Affiliate Member grade will continue to be accessible for those who wish to be affiliated with AIQS. For those undertaking tax depreciation, the Tax Practitioners Board is enforcing the requirement for those AIQS members to be corporate members (not Affiliates).

CQS NUMBERS ON THE WAY UP

Throughout 2019-20 we continued promoting the Certified Quantity Surveyor (CQS) designation, with some 650 members having taken up the designation since it was made available in 2018. A growing number of organisations are now preferring to utilise services being offered by Certified Quantity Surveyors.



MEMBER



CERTIFIED QUANTITY SURVEYOR





LEADING EDGE EDUCATION AND PROFESSIONAL DEVELOPMENT

PROFESSIONAL DEVELOPMENT IS STRONG

The AIQS Academy continues to attract large numbers of participants with over 2,300 individual modules being completed during the 2019-20 year.

We delivered a total of 87.5 hours of CPD and 16 networking events across the Chapters. It is unfortunate that COVID-19 brought a premature end to face-to-face events for the year, however we supported members through this time with over 13 hours of complimentary webinars in the final three months of the year.

Along with site visits, topics covered at these events and webinars included delay analysis, contract administration/documentation and innovative procurement, tax depreciation, future cities, smart buildings, data analytics, litigation and dispute management, BIM, quantitative risk analysis, flexible workplaces, personal brand development, construction financing reports, risk management, and design cost advice.

INSPIRING THE FUTURE WORKFORCE

We continued to participate at Career Expos and Career Advisors Forums. These events enable AIQS to promote the built environment cost profession to high school students and career advisers as a rewarding career option. Additionally, we supported the development of an interactive virtual reality job shadowing and informational interview experience for Work Window.

AIQS will be able to utilise this technology to support the promotion of the profession moving forward.

ENGAGING WITH ACCREDITED UNIVERSITIES

As with previous years, the AIQS sponsored 12 university awards across eight universities during 2019-20.

AIQS actively engaged with accredited universities to promote the profession by providing leading sessional lectures, publications and presenting to encourage AIQS membership.

We deepened our engagement with accredited universities through members representing AIQS on course advisory groups and undertaking lectures which enables us to actively promote the role of the quantity surveyor and the benefits of AIQS membership.

During 2019-20, the Education Committee recommended the continuation of all existing accredited university degrees which was approved by the AIQS Board.

YOUNG QUANTITY SURVEYORS (YQS) PROGRAM

The AIQS YQS groups were active across 2019-20 organising well attended events that fostered networking and learning opportunities for colleagues at the start of their professional career trajectory.





RESPECTED THOUGHT LEADER AND ADVOCATE

Throughout 2019-20, AIQS continued to be a respected thought leader and advocate.

ENGAGING WITH GOVERNMENT AND INDUSTRY IS CRITICAL

AIQS engaged with State and Territory Government Ministers and Agencies highlighting the importance of engaging a Quantity Surveyor from the inception of a potential infrastructure or building project.

AIQS actively participated on a number of forums including the Australasian BIM Advisory Board, Tax Practitioners Board, Australasian Procurement and Construction Council, and the Australian Construction Industry Forum.

Throughout 2019-20, AIQS engaged with government agencies and lodged submissions with respect to the following;

- Strata Schemes Management Amendment (Building Defects Scheme) Regulations 2019
- "Investigation and development options for establishing a continuing professional development framework for building practitioners registered in Victoria."
- Draft Victorian Digital Asset Strategy Strategic Framework
- Application for recognition under the Strata Title Management Defects Regulation
- New South Wales Legislative Council's Public Accountability Committee inquiry into the regulation of building standards, building quality and building disputes

- The "Building Stronger Foundations" New South Wales Government discussion paper
- Australian Taxation Office in the review of the effective life of assets for residential premises.
- The Queensland Premier supporting initiatives raised by the Australian Institute of Architects on government stimulus and raising issues of unsustainable fee levels for quantity surveying services.
- New South Wales Building Commissioner's Community of Practice Round Tables. AIQS is leading discussions for the Commissioner's pathway and the enhancement and recalibration of the role of the quantity surveyor to meet the current and future requirements of the construction industry.
- The NSW Governments Construction Leadership Group 10-Point Commitment to the Construction Industry.
- Proposed amendment to the Building Industry Fairness Act and attendance at the industry consultation and feedback forum arranged by the Queensland Government.
- Gold Coast City Council on the early effect of the COVID 19 pandemic on construction pricing and procurement.

INFRASTRUCTURE COMMITTEE

Enhancements to AIQS membership entry competencies for those undertaking construction cost work in infrastructure.



RESPECTED THOUGHT LEADER AND ADVOCATE

TECHNOLOGY AND INNOVATION COMMITTEE

A Technology and Innovation Committee was established to develop toolkits to assist members and their firms to understand key elements and challenges within the technological space and how they can leverage off available technology. This includes the development of guidelines and standards to support the application of digital innovation across the lifecycle of the built environment.

DIVERSITY AND INCLUSION COMMITTEE

Several initiatives were set in motion, including a scholarship targeted at female graduates; acting as a steering committee to other AIQS committees as to how to better integrate diversity and inclusion within AIQS, and guidelines around unconscious bias and flexible workplaces.

CONTRACTORS 2030 WORKING GROUP

The Contractors Working Group commenced the development of a framework for increasing collaboration between cost estimators/cost planners and quantity surveyors in professional quantity surveying firms.

Initial focus has been engaging with the New South Wales Government with respect to the implementation of its 10-Point Commitment to the Construction Industry.





STRONG ORGANISATIONAL STRUCTURE AND COMMUNICATIONS

AIQS has broadened and strengthened communication to members and key stakeholders via Chapter Council meetings, events, executive forums, industry and government submissions, information papers, guidance notes, surveys, member newsletters, social media platforms and through our flagship quarterly publication the Built Environment Economist - Australia and New Zealand (nee Building Economist).

We developed a Contract for Quantity Surveying Consultancy Services for use by AIQS members.

In 2020, we developed a new style guide incorporating refined corporate, member and CQS logos as well as a new colour palate and imagery.

Our new website and CRM platform was officially launched in the first half of 2020 providing members and visitors with concise and engaging content that is easy to find.

AIQS's flagship quarterly publication, the Building Economist changed its name to the 'Built Environment Economist - Australia and New Zealand' to reflect the broadening of it's content, relevance to AIQS and NZIQS members and their clients, related industry professionals, and government officials.

A Communications and Marketing Reference Group has been established as a sounding board for major communications and marketing strategy and initiatives.

During 2019-20, AIQS substantially grew the number of followers on social media resulting in higher levels of engagement and activity from members and onlookers.



MEMBER





DIVERSE AND SUSTAINABLE FUNDING

TREASURER'S REPORT

AIQS came to the end of the five-year strategic plan in June 2020. Over the five-year period, there was an increase in income resulting in better retained earnings at the end of each year. AIQS's total assets have increased from \$3.2m at the end of 2014-15 to \$4.0m at the end of 2019-20. It is important to note that monies held in the Benevolent Fund (\$766,280 at end 2019-20) and the Research Fund (\$47,033 at end 2019-20) are included as liabilities on the balance sheet.

AIQS's financial performance continued to improve during the 2019-20 financial year, with a cash surplus of \$361,563 and an operating surplus (after depreciation, amortization and write-offs) of \$171,161 being recorded for the year ending June 2020. The AIQS has total Assets of \$3.72M, Total Liabilities of \$1.85M (principally subscriptions received in advance of \$867K, inclusion of the Head Office Lease Liability now required under AASB 116 of \$498K, and employee provisions of \$131K), and Net Assets of \$1.86M.

The larger than usual surplus was due to a significant reduction in expenditure over second half of the year due to COVID-19 impacting the ability to hold physical meetings and for member and stakeholder engagement across the country.

AIQS received Jobkeeper and Boost payments of \$91K over the second half of the year from the Commonwealth Government.

Sales in the AIQS Academy sales dropped slightly during the 2019-20 but has performed well over the last few years with the capital invested by AIQS expected to be returned in the year ahead. Once again, income from skilled migration assessments continues to provide revenue for AIQS, but this is not expected to be maintained in future years.

As the Benevolent Fund is held under a separate Trust arrangement its value is not included in these accounts.

While the economic condition in past years have been strong, the industry is expected to experience difficult conditions in the years ahead. Nevertheless, AIQS will fund new initiatives for members as part of the new strategic plan. This will include initiatives that provide new routes to membership by professionals working as construction cost managers that are currently outside of traditional professional quantity surveyor roles.

I would like to thank all members for their support during these difficult COVID-19 times. AIQS has a clear plan to promote the profession to a wider audience thereby increasing the profession's profile.

Anthony Mills FAIQS, CQS
Treasurer



COMPLAINTS REGISTER

Over the 12 months to 30 June 2020, AIQS received a total of three complaints against members relating to alleged breaches of AIQS's Code of Conduct.

Of these, only one proceeded as the other two were either withdrawn or the complainant did not provide evidence to substantiate the complaint. The one complaint that was upheld by the Complaints Committee was in relation to Code of Conduct breaches (3.1, 3.2, 3.3, 3.9, 3.12 & 3.16) associated with the provision of an expert opinion by a member who's conduct was unprofessional and his report full of mathematical and methodological errors, and not in accordance with the client's scope of work.

Outcome: the member was given a three-month suspension from AIQS membership, was required to complete the AIQS Code of Conduct Academy module, and required to complete an approved communications course.



CHAPTER COUNCILLORS AND YQS PRESIDENTS

AUSTRALIAN CAPITAL TERRITORY

David Warren AAIQS, CQS, President
Alex Feng FAIQS, CQS, Vice President
Fiona Doherty FAIQS, CQS
Andrew Park MAIQS, CQS
Mark Chappe FAIQS, CQS
Ruky Wang MAIQS, CQS

INTERNATIONAL

Ajantha Premarathna FAIQS, CQS, President
Julie dela Cruz FAIQS, Vice-President
Stanley Chang MAIQS, CQS
Alex Hung FAIQS, CQS
Choong Peng Leong FAIQS, CQS
Dhammika Gamage FAIQS, CQS
Chitra Weddikkara FAIQS
Daniel Leung FAIQS
Peter Choon Hoo Tan FAIQS, CQS
Ambrose Fui Sen Shim FAIQS
Lalantha Amarasekara FAIQS
Ranjith Chandrasiri MAIQS
Amanda Ng MAIQS
Jitender Girdhar FAIQS

NEW SOUTH WALES

Benjamin Nicholson MAIQS, CQS, President
David Ngo AAIQS, CQS, Treasurer
Terence Wu MAIQS, CQS
Mike O'Shea FAIQS, CQS
Simon Squire FAIQS, CQS
Brad Marino MAIQS, CQS
Gary Uys AAIQS, CQS
Matthew Ostapenko MAIQS
Candy Inch AAIQS, CQS
Joe Bailey MAIQS
Kasun Gunasekara MAIQS, CQS

QUEENSLAND

Doug Fletcher FAIQS, CQS, President
Mark Freestone FAIQS, CQS, Vice President
Owen Perrin MAIQS, CQS
Don Hyslop FAIQS, CQS
Simon Foley MAIQS, CQS
Andrew Brady FAIQS, CQS
Tom Ford FAIQS, CQS
Caitlin Shields MAIQS, CQS
Gary Man FAIQS, CQS
Gary McDonald FAIQS, CQS
Luke Anthony MAIQS, CQS
Mark Hodgson MAIQS, CQS

Matthew Lee MAIQS, CQS
Scott Pearson AAIQS
Angie Hanson MAIQS

SOUTH AUSTRALIA/NORTHERN TERRITORY

Cameron Ridley AAIQS, CQS, President
Seth Coultas AAIQS, CQS
Debbie Marsh AAIQS, CQS
Andrew Baulch MAIQS, CQS
Mason Robb AAIQS, CQS
Robert Williamson MAIQS, CQS
Charles Wright AAIQS, CQS, (Northern Territory)
Paul Lassemillante FAIQS, CQS, (Northern Territory)

VICTORIA/TASMANIA

Stuart Gillies AAIQS, CQS, President
Kong Kin Yap FAIQS, Vice President
Nicole Trumbull MAIQS, CQS
Sue Chin MAIQS
Jane Northey MAIQS, CQS, Director
Anthony Mills FAIQS, CQS, Director
Edna Yeo AAIQS, CQS
Don Leelarathne FAIQS, CQS
Thomas Chan MAIQS
Joanne Chan MAIQS, CQS
David Gifford MAIQS
Rod Anderson MAIQS
Mei Lew AAIQS, CQS
Justin Zumpe FAIQS, CQS

WESTERN AUSTRALIA

Adam Robinson MAIQS, CQS, President
Sharon Yap AAIQS, Vice President
Megawati Megawati MAIQS
Chanaka Ratnasekara AAIQS
Srimal Silva FAIQS, CQS
Robin Wheelwright FAIQS, CQS
Stephen Warne FAIQS, CQS
John Stranger FAIQS
Sadmir Ceric FAIQS, CQS
Mark Bendotti FAIQS, CQS
Jack Tong MAIQS, CQS

YQS PRESIDENTS

Ruky Wang MAIQS, CQS
David Gifford MAIQS
Melanie Cumming Affil.

FELLOW MEMBERS

Congratulations to the following members who elevated to Fellow grade during 2019-20.

Charles Wright FAIQS, CQS
 Mark Freestone FAIQS, CQS
 Benjamin Foster FAIQS
 David Ngo FAIQS, CQS
 Jason Shephard FAIQS
 Kim Hayes FAIQS
 Manoj Herath FAIQS, CQS
 Simon Lowe FAIQS
 James Funge FAIQS
 Sampathraman Arumbuliyur FAIQS
 Eben Johnson FAIQS
 Sinimol Noushad FAIQS
 Ranjith Chandrasiri Chandrasiri FAIQS
 Sackeer Hameem FAIQS
 U K K Feranando FAIQS
 Jacob Joby Varghese FAIQS
 Basavaraj Kashinath Beth FAIQS
 Dilanka Wickramasinghe FAIQS

LONG STANDING MEMBERS

We recognise the following members for their long term commitment to AIQS and the profession

25 YEARS

Emyr Aditya AAIQS, CQS | John Ashton AIQS (Affil. Ret.) | Alan Bradley AAIQS | Ashley Cairns AAIQS | Stephen Callaghan AAIQS | David Chalmers AAIQS (Ret.) | Tan Tat Chan AAIQS | Yiu Kong Chan MAIQS | Soon Lum Chung FAIQS | Nicholas Deeks AAIQS | Grace Ding AAIQS | Jason Eden AAIQS | Ping Sum Fong FAIQS | Carl Garner AIQS (Affil.) | Stuart Gillies AAIQS, CQS | Martin Gnanachandran AIQS (Affil.) | Jason Gray FAIQS | Raymond Hu AAIQS | Christopher Humble AAIQS | Tyron Hyde FAIQS | Ian Jamieson AAIQS, CQS | Toby Kwok AAIQS | Solomon Lau Man Hin AAIQS | Donald Lee AAIQS | Eric Lok Cheuk Yin AAIQS | Janet Lum MAIQS | Jane MacKenzie AAIQS | Mark Mammarella AAIQS, CQS | James Meaney AAIQS | Ian Menzies FAIQS, CQS | Graham Millett AIQS (Affil.) | Louis Ng AAIQS | Christopher O'Donnell AIQS (Affil.) | Choon-Beng Ong AAIQS, CQS | Christine Ong MAIQS | Sam Paddick AAIQS, CQS | L Hennadige Peiris AIQS (Affil.) | Srilal Perera AIQS (Affil.) | Damian Pinkerton AAIQS | Philip Plant AAIQS | Stamatia Priskas AAIQS, CQS | Neil Richardson AAIQS, CQS | Michael Ross AAIQS, CQS | Michael Sanig FAIQS, CQS | Michael Scully AAIQS | Justin Sheridan AAIQS | Dougal Spork FAIQS | Simon Squire FAIQS, CQS | David Still AAIQS | Andrew Suttie FAIQS, CQS | Michelle Tam AAIQS | Edwin Tan AAIQS | Jerald Tian Hian Seng AAIQS | Paul Towe AAIQS (Ret.) | Stephen Warne FAIQS, CQS | Russell Welsh FAIQS, CQS | Alan Wong AAIQS | Jimmy Wong MAIQS | Yuk Tong Wong AIQS (Affil.) | Richard Worsdall MAIQS | Justin Zumpe FAIQS, CQS

30 YEARS

Murray Baker FAIQS | Rick Best FAIQS (Ret.) | Gary Boyd AAIQS | Julian Chai FAIQS | Stephen Chiew FAIQS, CQS | Ricky Chu MAIQS | Peter Clack FAIQS, CQS | Edward Coleman AAIQS | Stephen Dickinson AAIQS | Anthony Duarte MAIQS | Jason Flentjar AAIQS | Sean Fry AAIQS | Alfis Fung FAIQS | Brian Gavahan MAIQS | James Ha AAIQS | John Hanna AAIQS | Stephen Hatzantonis FAIQS | Daniel Ho AAIQS | Peter Knowles AAIQS | Phyllia Lam Fei Lai AAIQS (Ret.) | Christopher Larsen AAIQS | Wai Ming Lau AAIQS, CQS | Peter Lee AAIQS, CQS | Serena Lim AAIQS | See Wing Lo AAIQS | Hak Eng Loh AAIQS | Silas Loh AAIQS | Paul Ludlow FAIQS | Andrew Ma FAIQS, CQS | Fraser Main FAIQS, CQS | Paul Murphy AAIQS | Penn Chun Pang Ng AAIQS | Patrick O'Donnell FAIQS, CQS | Swee Hong Ooi AAIQS | Peter Osborn AAIQS | Steven Phillips AAIQS | Paul Rafferty AAIQS | Lyndal Rofo FAIQS, CQS | Indrawansa Samaratunga FAIQS | Christopher Saunders AAIQS | Craig Smith AAIQS, CQS | Reece Smith AAIQS | Samuel Star AAIQS, CQS | Peter Taylor MAIQS | Gary Train AAIQS | Peter Tulla FAIQS, CQS | Lupo Vaccarella AAIQS | John Waterworth AAIQS | Andrew Wright FAIQS | Chi Ho Yau AAIQS | Chi Fan Yip AAIQS (Ret.)

40 YEARS

Robert Archer AAIQS (Ret.) | Richard Archer FAIQS | Flavio Costanzo FAIQS | Stephen Grimes FAIQS (Ret.) | Steven Luce FAIQS (Ret.) | Garry March AAIQS | Ross Phinn FAIQS (Ret.) | Charles Savage FAIQS | Kim Short AAIQS | Ian Stark FAIQS | Daryl Waye AAIQS

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Financial Statements

For the Year Ended 30 June 2020

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

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Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Directors' Report For the Year Ended 30 June 2020

The directors present their report on Australian Institute of Quantity Surveyors for the financial year ended 30 June 2020.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Mark Chappe De Leonval	
Stephen Bisseker	Resigned 05/12/2019
Fiona Doherty	Appointed 06/12/2019
Anthony Mills	
Peter Clack	Resigned 05/09/2019
Jane Northey	Appointed 19/09/2019
Andrew Brady	
Thomas Ford	
Michael O'Shea	
Simon Squire	
Deborah Marsh	
Andrew Baulch	
Stephen Warne	
Dhammika Gamage	
Choong Peng Leong	
Robin Wheelwright	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The company secretary is Grant Warner.

Information on directors

Mark Chappe De Leonval	Quantity Surveyor, FAIQS, CQS
Experience	42 years' professional experience
Stephen Bisseker	Cost Planner, MAIQS, FAIQS
Experience	20 years' professional experience
Fiona Doherty	Quantity Surveyor, FAIQS, CQS
Experience	31 years' professional experience
Anthony Mills	Chair of Education Committee and Quantity Surveyor, FAIQS, CQS
Experience	38 years' professional experience
Peter Clack	Quantity Surveyor, FAIQS, CQS
Experience	40 years' professional experience
Jane Northey	Quantity Surveyor, FAIQS, CQS
Experience	20 years' professional experience

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Directors' Report For the Year Ended 30 June 2020

Andrew Brady Experience	Quantity Surveyor, FAIQS, CQS 14 years' professional experience
Thomas Ford Experience	Quantity Surveyor, FAIQS, CQS 18 years' professional experience
Michael O'Shea Experience	Quantity Surveyor, FAIQS, CQS 50 years' professional experience
Simon Squire Experience	Quantity Surveyor, FAIQS, CQS 32 years' professional experience
Deborah Marsh Experience	Quantity Surveyor, AAIQS, CQS 30 years' professional experience
Andrew Baulch Experience	Quantity Surveyor / Project Manager, FAIQS, CQS 15 years' professional experience
Stephen Warne Experience	Quantity Surveyor, FAIQS, CQS 26 years' professional experience
Robin Wheelwright Experience	Quantity Surveyor, FAIQS, CQS 34 years' professional experience
Dhammika Gamage Experience	Cost Planner, FAIQS, CQS 37 years' professional experience
Choong Peng Leong Experience	Consultant Quantity Surveyor, FAIQS, CQS 49 years' professional experience

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Directors' Report For the Year Ended 30 June 2020

Strategic Goals

The Institute's goals for the period 1 July 2015 to 30 June 2020 are:

- Establish a Globally Recognised Brand
- Establish Credential of Choice for Clients and Members
- Provide a Must have Membership
- Deliver leading Edge Education & Professional Development
- Be recognised as a Respected Thought Leader & Advocate
- Deliver a Strong Organisation Structure & Communications
- Establish Diverse & Sustainable Funding

Principle Measures

The principal activities and achievements of the AIQS can be measured by factors such as:

- 95% membership retention rate from 2018-19, with longer time frame for renewals due to COVID-19.
- 176 new members in 2019-20.
- Establishment of Graduate Membership class.
- Replacement Cost Assessments Information Paper released.
- Sponsorship of 12 University Awards across eight accredited universities.
- Increased takeup of the AIQS Academy with over 7,700 individual modules being purchased between January 2017 and end June 2020. Utilisation of the Academy being primarily focussed on graduate training.
- Continued implementation of the Certified Quantity Surveyor (CQS) status, with some 640 members having taken up the designation.
- AIQS recognised under the NSW Strata Title Defects Management Regulations.
- Annual Salary Survey undertaken over the past two years, aimed at giving aspiring construction cost professionals an indication of potential earnings through a career in quantity surveying / cost estimating.
- Delivery of 87.5 hours of AIQS CPD events and 16 networking events.

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Directors' Report

For the Year Ended 30 June 2020

- Provided submissions and responses to 16 government enquiries and requests from consultation papers.
- Continued engagement with Commonwealth, State and Territory Government Agencies highlighting the importance of engaging a Certified Quantity Surveyor from the inception of a construction project (infrastructure or building).
- Continued participation at Career Expos in Brisbane & Canberra, and Career Advisors Forums in Canberra and Sydney to promote Quantity Surveying and Cost Estimating to high-school students as a desirable career option. Other State Career Expos cancelled due to COVID-19.
- Membership & participation at:
 - Australian Construction Industry Forum (ACIF)
 - Australasian BIM Advisory Board (ABAB)
 - Tax Practitioners Board (TPB)
 - Various adhoc government roundtable forums.

Operating results

The surplus of the Company for the financial year ended 30 June 2020 was \$171,161 (2019: \$27,240). The surplus before depreciation, amortisation and write offs was \$361,563 (2019: \$150,338).

Impact of COVID-19 on continuing operations

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. While COVID-19 has had no adverse impact on the AIQS Capital Reserves, the provision of free and reduced price CPD has resulted in a reduction of operational income. This was offset through government contributions and a reduction in operational expenditure associated with membership engagement, CPD and associated activities.

There continues to be some uncertainty going forward due to COVID-19, however, management will continue to monitor and react to ensure financial impacts are minimised while continuing to support its members in the best possible manner.

Members guarantee

Australian Institute of Quantity Surveyors is a company limited by guarantee. In the event of, and for the purpose of winding up the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to winding up, is limited to \$10 for members that are corporations and \$nil for all other members, subject to the provisions of the company's constitution.

Australian Institute of Quantity Surveyors

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Directors' Report

For the Year Ended 30 June 2020

Meeting of directors

During the financial year, 3 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Chappe De Leonval	3	3
Stephen Bissek	1	-
Fiona Doherty	2	2
Anthony Mills	3	3
Peter Clack	-	-
Jane Northey	3	3
Andrew Brady	3	2
Thomas Ford	3	2
Michael O'Shea	3	3
Simon Squire	3	2
Deborah Marsh	3	3
Andrew Baulch	3	2
Stephen Warne	3	3
Robin Wheelwright	3	3
Dhammika Gamage	3	3
Choong Peng Leong	3	3

Australian Institute of Quantity Surveyors

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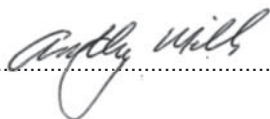
Directors' Report For the Year Ended 30 June 2020

Auditor's independence declaration


The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Director:



Dated 3rd November 2020

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Institute of Quantity Surveyors

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



SCOTT TOBUTT
PARTNER

3RD NOVEMBER 2020
SYDNEY, NSW

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	4	2,566,951	3,160,753
Bad debts		(9,138)	-
Chapter general expenses		(121,494)	(217,082)
Depreciation and amortisation expense		(190,402)	(123,098)
Employee benefits expense		(1,270,715)	(1,209,713)
Board & executive		(75,626)	(87,149)
Stakeholder engagement		(15,914)	(82,667)
Head office expenses		(192,061)	(361,613)
Bank & merchant fees		(43,472)	(37,025)
IT support costs		(66,327)	(58,696)
Insurance		(10,035)	(6,102)
International offices		(72,248)	(67,147)
Surveyors House, Canberra - costs		(74,226)	(41,703)
Membership		(36,331)	(53,473)
Education & event		(84,761)	(116,831)
Communications and Marketing		(88,692)	(75,417)
International		(18,493)	(4,706)
Standards		(12,359)	(37,973)
Conferences expenses		(13,496)	(553,118)
Surplus before income tax		171,161	27,240
Income tax expense	2(a)	-	-
Surplus for the year		171,161	27,240
Total comprehensive income for the year		171,161	27,240

The accompanying notes form part of these financial statements.

Australian Institute of Quantity Surveyors

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	973,212	1,225,753
Loans and receivables	6	27,875	52,415
Other financial assets	7	1,340,855	1,148,540
Other assets	8	75,890	100,064
TOTAL CURRENT ASSETS		2,417,832	2,526,772
NON-CURRENT ASSETS			
Property, plant and equipment	10	528,640	49,610
Investment property	11	369,278	369,278
Intangible assets	12	404,101	330,086
TOTAL NON-CURRENT ASSETS		1,302,019	748,974
TOTAL ASSETS		3,719,851	3,275,746
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,168,986	1,429,621
Lease liability	9	98,189	-
Provisions	14	131,576	111,837
TOTAL CURRENT LIABILITIES		1,398,751	1,541,458
NON-CURRENT LIABILITIES			
Lease liability	9	399,629	-
Non-current liabilities	14	58,249	42,227
TOTAL NON-CURRENT LIABILITIES		457,878	42,227
TOTAL LIABILITIES		1,856,629	1,583,685
NET ASSETS		1,863,222	1,692,061
EQUITY			
Retained surplus		1,863,222	1,692,061
TOTAL EQUITY		1,863,222	1,692,061

The accompanying notes form part of these financial statements.

Australian Institute of Quantity Surveyors

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Statement of Changes in Equity

For the Year Ended 30 June 2020

	Retained Surplus \$	Total \$
Balance at 1 July 2019	1,692,061	1,692,061
Surplus for the year	171,161	171,161
Balance at 30 June 2020	1,863,222	1,863,222

	Retained Surplus \$	Total \$
Balance at 1 July 2018	1,664,821	1,664,821
Surplus for the year	27,240	27,240
Balance at 30 June 2019	1,692,061	1,692,061

The accompanying notes form part of these financial statements.

Australian Institute of Quantity Surveyors

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Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,784,633	3,391,052
Payments to suppliers and employees	(2,658,872)	(3,042,605)
Interest received	24,869	40,530
Receipt from grants	34,774	38,897
Net cash provided by operating activities	185,404	427,874
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from short term investments	(15,874)	(22,047)
Payment for plant and equipment	(173,574)	(147,081)
Payment for intangible asset	(192,315)	474,894
Net cash (used in) / provided by investing activities	(381,763)	305,766
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(56,182)	-
Net cash used by financing activities	(56,182)	-
Net (decrease) / increase in cash and cash equivalents held	(252,541)	733,640
Cash and cash equivalents at beginning of year	1,225,753	492,113
Cash and cash equivalents at end of financial year	5 973,212	1,225,753

The accompanying notes form part of these financial statements.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Australian Institute of Quantity Surveyors as an individual entity. Australian Institute of Quantity Surveyors is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs (eg. repairs and maintenance) are charged to the statement of comprehensive income during the financial year in which they are incurred.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(b) Property, plant and equipment

Depreciation

The depreciable amounts of all fixed assets including capitalised leased assets are depreciated on either a straight line or diminishing value basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Right of use - Buildings	20%
Furniture, Fixtures and Fittings	7.5% - 33%
IT Equipment	20%
Right of Use Asset	20%

(c) Investment property

Investment property is held to generate long-term rental yields and/or capital growth. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined annually by independent valuers or director valuation. Changes to fair value are recorded in the statement of profit or loss as other income/expenses.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(d) Leases

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated over their estimated useful lives.

For current year

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(d) Leases

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the rightofuse asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both shortterm leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straightline basis over the lease term.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities/.

(f) Intangible assets

Expenditure incurred in the planning phase in developing the academy and website development (CRM database) or after the website is put into use is expensed when incurred. Development costs are capitalised only when it is probable that the website development will deliver future economic benefits and these benefits can be measured reliably.

Website development has a finite life and is carried at cost less any accumulated amortisation and impairment losses. The Academy is estimated to have a useful life of five years and is amortised on a straight line basis.

The website has an estimated useful life of five years and is amortised on a diminishing value basis.

All intangibles are assessed annually for impairment.

(g) Impairment of assets

At the end of each reporting period, the carrying values of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs is estimated.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(h) Employee benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

(j) Revenue

For prior year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rental of properties is recognised on a straight line basis over the period of the lease.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(j) Revenue

Revenue from contracts with customers - from 1 July 2019

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Provision of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(j) Revenue

Specific revenue streams

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Change in Accounting Policy

A number of new or amended standards became applicable for the current reporting period being AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-For-Profit Entities and AASB 16 Leases. The adoption of AASB 15 and AASB 1058 has not caused any material adjustments to the reported financial position, performance or cash flow of the Company. Refer below for details of the changes due to the adoption of AASB 16.

AASB 16 Leases

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

The Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

Impact of adoption of AASB 16

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not reassessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Company recognised right-of-use assets and lease liabilities of \$nil at 1 July 2019, for leases previously classified as operating leases. During the year, the Company recognised right-of-use asset additions of \$554,000 and lease liabilities of \$554,000 for leases entered into during the period.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.52%.

	\$
Operating leases commitments at 30 June 2019 financial statements	76,352
Leases excluded as expiry date prior to 30 June 2020	<u>(76,352)</u>
Lease liabilities recognised at 1 July 2019	<u>-</u>

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - Impairment of Intangibles

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using the value-in-use calculations which incorporate various key assumptions.

Key estimates - Fair Value of Investment Property

The investment property is carried at fair value. Changes to the fair value are presented in the profit or loss.

Key judgments - provision for impairment of receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected credit loss arising from default.

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

4 Revenue

	2020 \$	2019 \$
(i) Revenue		
Subscriptions	1,558,821	1,520,287
Services	405,159	416,878
(ii) Other operating revenue		
Chapter general	96,538	84,730
Marketing income	174,857	207,347
Governance and administration	149,076	32,660
Education and events	122,857	170,676
Conference income	-	642,005
(iii) Other interest received	24,869	40,530
(iv) Rental income	-	6,743
(v) EMDG grant income	34,774	38,897
	<u>2,566,951</u>	<u>3,160,753</u>

5 Cash and cash equivalents

Cash at bank	<u>973,212</u>	<u>1,225,753</u>
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6 Trade and other receivables

CURRENT		
Trade receivables	<u>27,875</u>	<u>52,415</u>

7 Financial Assets

CURRENT		
Financial assets	<u>1,340,855</u>	<u>1,148,540</u>

Financial assets consist of term deposits with initial terms of maturity of less than one year.

8 Other current assets

CURRENT		
Prepayments	<u>75,890</u>	<u>100,064</u>

Australian Institute of Quantity Surveyors

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Notes to the Financial Statements For the Year Ended 30 June 2020

9 Leases

Company as a lessee

The Company has a lease over buildings.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of the lease

The building lease is for the Company's Head Office premises and is for a period of 5 years. The rent for this lease is subject to a fixed increases of 3% each year.

Right-of-use assets

	Buildings \$	Total \$
Year ended 30 June 2020		
Balance at beginning of year	-	-
Additions	554,000	554,000
Depreciation charge	(64,633)	(64,633)
Balance at end of year	489,367	489,367

Lease liabilities

	< 1 year \$	1-5 years \$	Total lease liabilities \$	Lease liabilities included in the statement of financial position \$
Lease liabilities	118,693	432,579	551,272	497,818

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2020 \$
Interest expense on lease liabilities	11,865
Depreciation of right-of-use assets	64,633
	76,498

Statement of Cash Flows

Total cash outflow for leases	68,047
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Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Plant and equipment

	2020	2019
	\$	\$
Right of use - Buildings at cost	554,000	-
Accumulated depreciation	(64,633)	-
	<u>489,367</u>	<u>-</u>
Furniture, fittings and equipment at cost	8,077	3,708
Less accumulated depreciation	(4,244)	(1,792)
	<u>3,833</u>	<u>1,916</u>
IT equipment at cost	104,677	93,172
Less accumulated depreciation	(69,237)	(45,478)
	<u>35,440</u>	<u>47,694</u>
	<u>528,640</u>	<u>49,610</u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Right of use - Buildings	Furniture and fittings	IT Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of the year	-	1,916	47,694	49,610
Additions	554,000	4,369	11,503	569,872
Depreciation expense	(64,633)	(2,452)	(23,757)	(90,842)
Balance at the end of the year	<u>489,367</u>	<u>3,833</u>	<u>35,440</u>	<u>528,640</u>

11 Investment property

Investment property at fair value	<u>369,278</u>	<u>369,278</u>
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The investment property was revalued on 30 June 2017, by Independent Valuers, to reflect the contracted sales price of the property amounting to \$423,500 less the change in lease charge of \$54,222. The Directors have assessed the fair value of the investment property as at 30 June 2020 and are satisfied that no changes to fair value are required.

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Intangible assets

	2020 \$	2019 \$
Website development - at cost	28,098	28,098
Less: accumulated amortisation	(27,498)	(24,329)
	<u>600</u>	<u>3,769</u>
AIQS academy set up - at cost	478,463	478,463
Less: accumulated amortisation	(395,618)	(299,227)
	<u>82,845</u>	<u>179,236</u>
Assets under development - CRM Database Cost	<u>320,656</u>	<u>147,081</u>
	<u><u>404,101</u></u>	<u><u>330,086</u></u>

(a) Movements in carrying amounts of intangible assets

	Website development \$	AIQS Academy \$	Assets under development - CRM Database \$	Total \$
Year ended 30 June 2020				
Balance at the beginning of the year	3,769	179,236	147,081	330,086
Additions	-	-	173,575	173,575
Amortisation expense	(3,169)	(96,391)	-	(99,560)
Closing value at 30 June 2020	<u>600</u>	<u>82,845</u>	<u>320,656</u>	<u>404,101</u>

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Notes to the Financial Statements For the Year Ended 30 June 2020

13 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	57,472	160,732
Subscriptions received in advance	886,687	1,091,731
Accrued expense	26,051	25,384
GST payable	90,406	75,488
Other payables	108,370	76,286
	1,168,986	1,429,621

14 Provisions

Current		
Other employee benefits	131,576	111,837
Non-current		
Other employee benefits	58,249	42,227

15 Related Party disclosures

- (a) Key management personnel transact with the Company from time to time on normal terms and conditions that are no more favourable than those available to others. The types of transactions involved include those that are provided by the Company as part of its normal operations. The transactions are settled at the time of the transaction, and no amounts are owing to the Company at year end in respect of these transactions. The total value of these transactions is low and is considered by the Company to be immaterial.

With the exception of compensation of key management personnel, which is separately disclosed in these statements, there were no other related party transactions during the financial year.

- (b) The Company has paid premiums in respect of a contract insuring all the Directors of the Company against a liability incurred in their role as a director of the company, except where:
- (i) the liability arises out of conduct involving a wilful breach of duty; or
 - (ii) there has been a contravention of Section 232(5) or (6) of the *Corporations Act 2001*.

No Director of the Company received or became entitled to receive any remuneration for services rendered, except for insurance premiums paid by the Company on behalf of Directors.

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Notes to the Financial Statements

For the Year Ended 30 June 2020

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019 : None).

17 Financial Risk Management

The main financial risks to which the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020	2019
	\$	\$
Financial assets		
Financial assets	1,340,855	1,148,540
Trade receivables	27,875	52,415
Cash and cash equivalents	973,212	1,225,753
Total Financial Assets	2,341,942	2,426,708
Financial liabilities		
Trade and other payables	1,168,986	1,429,621
Finance lease obligation - Current	98,189	-
Finance lease obligation - Non-current	399,629	-
Total Financial Liabilities	1,666,804	1,429,621

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Notes to the Financial Statements

For the Year Ended 30 June 2020

18 Key Management Personnel Remuneration

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

The totals of remuneration paid to the key management personnel of Australian Institute of Quantity Surveyors during the year are as follows:

	2020	2019
	\$	\$
Key management personnel compensation	<u>284,539</u>	<u>269,019</u>

19 Impact of COVID-19 on continuing operations

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. We have not seen a significant impact on our business. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report.

It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or Government's varying efforts to combat the outbreak and support businesses. That being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

20 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

21 Additional Information

The registered office of and principal place of business of the company is:

Australian Institute of Quantity Surveyors
Suite 303
Level 3 Pitt Street
SYDNEY NSW 2000

Australian Institute of Quantity Surveyors

ABN: 97 008 485 809

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 29, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity 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 Board of Directors.

Director 

Director 

Dated 3rd November 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN INSTITUTE OF QUANTITY SURVEYORS

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Institute of Quantity Surveyors (the Company), which comprises the statement of financial position as at 30 June 2020, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Institute of Quantity Surveyors, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2020, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Other Information (cont'd)

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



SCOTT TOBUTT
PARTNER

3RD NOVEMBER 2020
SYDNEY, NSW



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