



ANNUAL FINANCIAL REPORT

Property Council of Australia Limited

ABN 13 008 474 422

30 June 2019



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For the year ended 30 June 2019

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Directors' Report

For the year ended 30 June 2019

The Directors present their report together with the consolidated financial report of the Property Council of Australia Limited (the "Company") and its subsidiary (the "Group") for the financial year ended 30 June 2019 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

**Stephen Conry AM – National President
Chief Executive Officer, JLL Australia & New Zealand**

Stephen Conry is the CEO of JLL, Australia's largest commercial property services firm and the first global property firm to establish in Australia. He commenced his career with JLL in 1982 at the same time undertaking part time studies in Property Economics (graduating in 1986). Stephen was appointed a Director of JLL in 1989 and Managing Director for Queensland in 1996. In 2000 he was appointed as an International Director of the firm and has since served in various national business leadership roles. He was appointed CEO for Australia and to the Asia Pacific Board in 2009.

Stephen has served on various Business and Community Boards and Committees. He is a Board Member of Redkite, a Fellow of the Australian Property Institute, a Fellow of the Royal Institution of Chartered Surveyors and a Fellow of the Australian Institute of Company Directors. In 2019, Stephen was appointed a Member of the Order of Australia (AM) for his significant service to the commercial property sector and to the community.

Stephen is the National President of the Property Council of Australia, appointed 3 April 2019, and a member of the Board of Directors. He is also Chair of the Nominations Committee and a member of the Remuneration Committee. Stephen is also a founding member of the Property Male Champions of Change and a Director of the Shopping Centre Council of Australia. Director since 3 April 2014.

**Susan Lloyd-Hurwitz – Immediate Past President
CEO and Managing Director – Mirvac**

Susan Lloyd-Hurwitz was appointed CEO & Managing Director in August 2012 and a Director of the Mirvac Board in November 2012. Prior to this appointment, Susan was Managing Director at LaSalle Investment Management. Susan has also held senior executive positions at MGPA, Macquarie Group and Lendlease Corporation, working in Australia, the US and Europe.

Susan is Chair of the Green Building Council of Australia, a member of the NSW Public Service Commission Advisory Board, President of INSEAD Australasian Council and a member of the INSEAD Global Board. Susan holds a Bachelor of Arts (Hons) from the University of Sydney and an MBA (Distinction) from INSEAD (France).

Susan is the Immediate Past President of the Property Council of Australia. Director since 20 October 2016. National President from 30 March 2017 to 3 April 2019.

**David Harrison – National Vice President
Managing Director and Group CEO, Charter Hall Group**

As Charter Hall's Managing Director and Group CEO, David is responsible for all aspects of the Charter Hall business, with specific focus on strategy. Recognised as a multi-core sector market leader, David has over 30 years' global property market experience and has led transactions exceeding \$25 billion of commercial, retail and industrial property assets.

Under his stewardship, the Charter Hall Group portfolio has grown from \$500 million to \$28.4 billion of assets under management.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

David is a Fellow of the Australian Property Institute (FAPI), and Property Male Champions of Change. He is a Vice President of the Property Council of Australia and Chair of the Audit and Risk Committee and a member of the Nominations Committee. Director since 14 April 2016. National Vice President since 30 March 2017.

Kylie Rampa – National Vice President

Chief Executive Officer - Property, Australia, Lendlease

Kylie is Chief Executive Officer Property, Australia for the Lendlease Group. Prior to this role Kylie was Managing Director of Lendlease Investment Management and has held other senior positions with the Gandel Group, Macquarie Group, AMP and Schroders. She has over 25 years' experience in Australian and global real estate, living and working in both Australia and the US. She has extensive experience in investment management across both listed and unlisted capital markets, development, asset management, mergers and acquisitions and business strategy and operations. She holds a Bachelor of Business degree from the Queensland University of Technology (QUT).

Kylie is a Director of Lendlease Real Estate Investments Limited, the Responsible Entity for Lendlease's unlisted property funds and a Director of Lendlease Development Pty Limited. She is also a Director of the Sydney Opera House Trust where she chairs the Building and Heritage Committee.

Kylie was appointed by the Federal Government an inaugural Director of the National Housing Finance and Investment Corporation, an independent Commonwealth body dedicated to improving housing affordability.

Kylie is a Vice President of the Property Council of Australia and a member of both the Nominations Committee and the Remuneration Committee. Director from 11 April 2002 to 27 July 2006, 4 April 2013 to 23 April 2015 and since 25 May 2016. National Vice President since 30 March 2017.

Peter Allen

Chief Executive Officer, Scentre Group

Peter Allen is an executive Director and Chief Executive Officer of Scentre Group. Prior to the establishment of Scentre Group in 2014, Peter was an executive Director and Chief Financial Officer of Westfield Group. Peter joined Westfield in 1996 and between 1998 and 2004 was Westfield's CEO of the United Kingdom / Europe and responsible for establishing Westfield's presence in the United Kingdom. Peter is Chairman of the Shopping Centre Council of Australia and a Director of the Victor Chang Cardiac Research Institute and Essendon Football Club. He is a member of the President's Council of the Art Gallery of NSW.

Peter is a founding member of the Property Male Champions of Change. Director since 23 April 2015.

Virginia Briggs

Partner, MinterEllison

Virginia Briggs is the Managing Partner of MinterEllison's Infrastructure, Construction and Property Group. She is a leading practitioner in the Sydney property, development and infrastructure markets acting for both private and government clients. Virginia deals in complex large-scale real estate transactions spanning the development, sale, purchase and leasing of commercial, industrial, residential and retail developments and infrastructure assets. She acts for vendors, purchasers, landlords and tenants including such leading clients such as NSW Treasury, NSW Land and Housing Corporation (LAHC), NSW Department of Premier and Cabinet, Stockland, AMP Capital, Brookfield, Dexu and GPT.

Virginia's expertise goes beyond the legal and she is recognised as a passionate thought leader to the property industry. Virginia is a member of the Property Council of Australia's National Board; and a Board member of the Committee for Sydney and the NSW Schools' Infrastructure Advisory Council. Virginia is also a member of MinterEllison's Diversity Committee and its Innovation Council, using her positions of leadership and influence to drive strategy, growth and diverse thinking in a changing legal landscape.

Virginia is an Associate Member representative and is the Chair of the Remuneration Committee. Director since 28 May 2015.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Johnathan Callaghan

Chief Executive Officer, Investa Property Group

Jonathan Callaghan is Chief Executive Officer of Investa. Jonathan has been with Investa for more than 11 years, where he has held a number of roles, including Group General Counsel and Joint Managing Director and Finance Director. Prior to joining Investa, Jonathan had a career as a lawyer in private practice. He holds a Bachelor of Science (Hons), a Bachelor of Laws (Hons) and a Master of Applied Finance.

Jonathan is a Corporate Leader representative of the Board of Directors for Property Council of Australia and is a founding member of the Property Male Champions of Change. Director since 3 April 2019.

Deborah Coakley

Executive General Manager, Funds Management, Dexus

Deborah Coakley is Executive General Manager, Funds Management where she has responsibility for managing Dexus' \$15 billion funds management business which comprises a diversified wholesale property fund, a wholesale logistics trust, a healthcare property fund, a diversified mandate, and three capital partnerships. She has more than 20 years' experience in management roles in consulting, human resources and outsourcing gained in organisations such as Deloitte, Qantas and Alexander Mann Solutions.

Deborah is an Ambassador for the Sydney Children's Hospital Foundation and a non-Executive Director of the Children's Cancer Institute. She holds a Bachelor of Business degree from University of Technology Sydney (BBus) and is a graduate of the Australian Institute of Australian Company Directors (GAICD).

Deborah is President of the Property Council's Capital Markets Division and a member of the Board of Directors for the Property Council of Australia. Director since 3 April 2019.

Travis Doherty

Chief Executive Officer, Village Building Company

Travis was appointed Chief Executive Officer of Village Building Company on 1 July 2016 after joining the group as Deputy CEO in 2015. Travis has close to 25 years' experience in executive leadership positions across a range of industries including property development and construction, financial services, manufacturing and professional services.

Prior to joining Village, Travis held senior positions at NAB over a nine-year period including as General Manager of various operational business units, CEO of Anchorage Home Loans and Director of Vipro, an industry utility with NAB, CBA, Westpac and CBA. Travis also spent 8 years at Ernst & Young Melbourne and the UK, and 3 years at Simplot Australia in various client engagement and leadership positions.

Travis is President of the Property Council's Australian Capital Territory Division. Director since 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Christian Grahame

Head of Home, Grocon

Christian joined Grocon in 2016 to lead the company's residential division. Christian has over 20 years' experience across Australia, London and the UAE with an established track record in developing and implementing strategies for property development business. Prior to joining Grocon, Christian was the National General Manager of Apartments for a listed AREIT where he managed a portfolio of residential projects worth in excess of \$1bn. Christian holds a Bachelor of Business (Property), a Master of Business (Management) and a Master of Applied Finance.

Christian is President of the Property Council's Victorian Division. Director since 3 April 2019.

Bruce Harper

General Manager QLD, Avid Property Group

Bruce Harper is the General Manager – Queensland for AVID Property Group. The team he leads manages a portfolio of residential and industrial developments. Bruce has a 35+ year career in property development holding senior roles in both the public and private sectors. From his early career as a local government city planner, Bruce took on the role of CEO of the Land Management Corporation, the South Australian State Government's development arm, and in the last 20 years with Chief Executive and senior management roles in the private sector.

Bruce has a particular focus on large scale greenfield projects and has been involved in some of Australia's iconic projects such as Golden Grove, Mawson Lakes, Harmony and a range of other projects across New South Wales, Queensland and South Australia. He has been an instigator of many of the innovations in urban development including small lot housing and numerous environmental innovation and urban design initiatives. Bruce holds Planning and Company Director qualifications and has been an active member of industry groups in addition to serving as Chairman and member of a range of Government and industry advisory Boards and committees.

Bruce is President of the Property Council's Queensland Division. Director since 3 April 2019.

Carmel Hourigan

Global Head of Real Estate, AMP Capital

Carmel is the Global Head of Real Estate for AMP Capital, responsible for leading AMP Capital's property investment and management business. Previously Chief Investment Officer for The GPT Group, Carmel's experience also includes senior roles at Lendlease and Challenger Financial Services Group, in addition to roles within Colonial First State, Stockland Group, Jones Lang LaSalle and Raine & Horne Commercial. Carmel holds a Bachelor of Business (Land Economics) and a Graduate Diploma of Finance and Investment from the Securities Institute of Australia. She was recently appointed Deputy Chancellor at Western Sydney University, sits on the WSU Board of Trustees, and is a Fellow of the Australian Property Institute.

Carmel is a Corporate Leader representative on the Board of Directors for the Property Council of Australia, a member of the Nominations Committee and a special advisor of the Property Male Champions of Change. Director since 7 April 2011.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Bob Johnston

Chief Executive Officer, The GPT Group

Bob Johnston joined The GPT Group as Chief Executive Officer in September 2015. He is an experienced property executive and business leader with a career spanning 31 years. Bob has been involved in most facets of the property sector including investment, development, project management and construction in Australia, Asia, the US and UK. He has a wealth of experience in funds management, asset management, development and across most asset classes including office, retail and industrial. For the eight years prior to joining GPT, Bob was Managing Director of the ASX-listed Australand Property Group. Prior to that, Bob held a number of senior management positions with Lendlease. Bob is also the Chairman of the Property Industry Foundation.

Bob is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Bob is also a founding member of the Property Male Champions of Change. Director since 14 April 2016.

Marie-Louise MacDonald

CEO, Masonic Care

Marie-Louise has over 35 years in executive management in Australia and overseas. Working in diverse fields of health policy, health care, Industrial Relations and aged and retirement operations. She is a committed learner and holds qualifications in nursing, business administration, research, public policy analysis and law. She sits on a number of Government and independent Boards and chairs the WA Retirement Living Committee.

Marie-Louise is the President of the Retirement Living Council. Director since 3 April 2019.

Steve Maras

Group Managing Director and CEO, Maras Group

Steve has a wide-ranging and multi-faceted background spanning over almost 30 years which includes corporate recovery and reconstruction, commerce and finance, valuation and advisory, commercial and retail investment sales and leasing, syndicate raising, project management, investment management and development. Prior to his appointment in 2007 as Managing Director of Maras Group, a privately owned and operated commercial and retail property investment and development business, headquartered in South Australia, Steve had worked in various senior roles including with both PwC and Knight Frank.

Aside from managing and directing the Maras Group business, Steve serves on various boards and not-for-profits including as Vice Chairman of the Living Without Limits Foundation and Deputy Chair of the Australia Day Council of South Australia. Steve is also the Honorary Consul for Uruguay in Adelaide. He is a Fellow of the Australian Institute of Company Directors, Senior Fellow of the Institute of Place Management (UK) and Member of The Consular Corps of SA. He holds a Master of Business in Property from the University of South Australia and a Bachelor of Economics (Accounting) from the University of Adelaide.

Steve is President of the Property Council's South Australian Division. Director since 6 August 2015.

Scott Nugent

Divisional Development Manager – WA, AMP Capital

Scott Nugent is a career property professional, who has worked internationally for many major and well known real estate companies and institutions. Fulfilling various senior management roles in both Asset Management and Development Management. Currently, Scott is Divisional Development Manager WA for AMP Capital Investors overseeing real estate expansion in West Australia. He has worked for AMP Capital Investors in Perth for eight years. Prior to that he was based in Hong Kong as Director of Project & Development for Asia's largest Real Estate Investment Trust, The Link REIT. Whilst there he oversaw the expansion of their real estate portfolio with 22 developments in delivery. Before moving to Hong Kong Scott was Portfolio Manager - Australia/New Zealand for Macquarie Bank and prior to that started his career at Lendlease in Melbourne.

Scott is President of the Property Council's Western Australia Division. Director since 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Carl Schibrowski

Executive Vice President & Co-Head of Property, Brookfield Properties

Carl is an Executive Vice President, and Co-Head of Brookfield Properties in Australia. He is principally responsible for all development activities where he has built and led a team responsible for completing Brookfield Place Tower 2 Perth in 2015. He is also responsible for delivering Wynyard Place Sydney, 405 Bourke Street Melbourne, and the new Chevron Tower in Perth. Along with Danny Poljak, Carl leads the wider Brookfield Property management team across the Australian platform.

Prior to joining Brookfield in 2012, Carl was a Development Director at the Charter Hall Group where he was responsible for all of the Victorian commercial development activities including the development of BHP Billiton's new global headquarters at 171 Collins Street in Melbourne. He has also worked with the Macquarie Group, and Lendlease Corporation in development roles. He has over 23 years' of real estate experience working in Australia, Spain and the United States.

Carl received an MBA from Melbourne Business School where he was awarded the Rupert Murdoch Fellowship in 2004. Carl also holds a Bachelor of Science (Arch) Degree from Sydney University and a first-class honours Bachelor of Architecture from Melbourne University where he graduated as dux in 1996.

Carl is President of the Property Council's New South Wales Division. Director since 3 April 2019.

Mark Steinert

Managing Director & CEO, Stockland

Mark was appointed Managing Director and Chief Executive Officer of Stockland on 29 January 2013. Mark has 32 years' of experience in property and financial services including eight years in direct property primarily with Jones Lang LaSalle and ten years in listed real estate with UBS. He was appointed as Head of Australasian Equities at UBS in 2004 and as Global Head of Research in New York in late 2005. In 2012, he was appointed as Global Head of Product Development and Management for Global Asset Management at UBS, a \$559 billion Global Fund Manager. Mark is a member of the Stockland Sustainability Committee and a Director of Stockland Capital Partners Limited, the Responsible Entity for Stockland's unlisted property funds. Mark also served as a Director of the Green Building Council of Australia.

Mark is a former National President of the Property Council of Australia and a founding member of the Property Male Champions of Change. Mark is a Corporate Leader representative of the Board of Directors of Property Council of Australia, Director since 23 April 2015 and National President from 23 April 2015 to 30 March 2017.

Josephine Sukkar AM

Principal, Buildcorp

Josephine is a professional company Director who established Buildcorp with her husband 29 years ago, employing over 300 staff and has revenue of \$600 million.

Josephine is a Director of Growthpoint Properties Australia, Parramatta Park Trust, Opera Australia, the Australian Museum, Centenary Institute of Medical Research, Melbourne University Infrastructure Advisory Board. She is President of Australian Women's Rugby and through Buildcorp has been a major sponsor of rugby in Australia for nearly 30 years. She has previously served as a Director of The Trust Company and was Co-President of the YWCA NSW. In 2017 she was recognised for her services to the community, the arts and sports in the Queen's Birthday Honours list.

Josephine is a Core Member representative on the Board of Directors. Director since 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Andrew Whitson

Group Executive and CEO Residential, Stockland

After five years leading Stockland's Residential business, in August 2018 Andrew Whitson was appointed Group Executive and CEO of Stockland Communities – a combined Retirement Living and Residential business. Stockland is Australia's largest residential developer, with a strong focus on delivering affordable, liveable communities in growth areas across the country.

Andrew joined Stockland in early 2008 as Regional Manager for Greater Brisbane and Far North Queensland. He was appointed General Manager Residential, Victoria in July 2009, and in November 2012 his role expanded to include New South Wales. Andrew began his career in the construction industry working across Asia and Australia before joining Springfield Land Corporation in Queensland in 2003. Andrew is currently a Director of the Green Building Council of Australia. Andrew holds a Bachelor of Civil Engineering from the University of Adelaide.

Andrew is the Chair of the Residential Development Council. Director since 30 March 2017.

Anastasia Clarke

Chief Financial Officer – The GPT Group

As Chief Financial Officer, Anastasia is responsible for The GPT Group's capital management, financial reporting, accounting, tax and technology divisions. Named one of Asia's 25 Most Influential Women in Finance & Treasury in 2015, and with over 25 years' of experience in the real estate industry, Anastasia's past roles include Chief Financial Officer at New City Australia and Singapore, Treasurer and Head of Finance at Dexus and corporate treasury and project finance roles at Lendlease. Anastasia is a Fellow of the Australian Society of Certified Practising Accountants, a Fellow of Chartered Accountants ANZ and holds a Bachelor of Accounting from the University of Technology, Sydney.

Anastasia is the Immediate Past President of the Property Council's Capital Markets Division. Director from 20 October 2016 to 3 April 2019.

Grant Kelley

CEO and Managing Director, Vicinity Centres

Grant Kelley joined Vicinity Centres in 2018 and has over 25 years' of global experience in real estate investment, corporate strategy, funds management and private equity.

Grant began his business career at Booz Allen & Hamilton before moving to Colony Capital, the world's third largest private equity real estate fund. At Colony, Grant was initially responsible for the operating performance and strategic direction of its Korean and Japanese businesses, and then later appointed Chief Executive Officer Asia Pacific. In 2008, Grant founded Holdfast Capital Limited, an Asian-based real estate investment firm, which was acquired in 2010 by Apollo Management, one of the world's largest alternative investment managers. He then became Co-Head of Asia Pacific for Apollo Global Management, leading the firm's real estate activities in the region.

In 2014, Grant was appointed CEO at City Developments Limited, a global real estate company with 103 locations in 29 countries and one of Singapore's largest companies. Listed on the Singapore Exchange, CDL's portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls.

Grant graduated from the University of Adelaide with a Bachelor of Laws degree, has completed a Masters degree in Economic Sciences from London University and has an MBA from the Harvard Business School. Grant is Chairman of Adelaide Basketball and Chairman of Holdfast Assets, a Director of the Shopping Centre Council of Australia and a Council Member of the Asia Society Policy Institute.

Grant is a member of the Property Male Champions of Change and was a Director of the Property Council of Australia from 27 February 2018 to 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Laurence Lancini

Managing Director, Lancini Group

The Managing Director of Lancini Property and Development, Laurence Lancini is a licensed builder who commenced his construction business some 36 years ago. Laurence started as a bricklayer based in Townsville and progressed over the years to grow his business to a state-wide operation covering all facets of property development. Laurence has extensive direct experience in the property industry, having developed, built, owned and managed a wide cross-section of award-winning property types throughout Queensland, including residential, high rise, office, industrial, commercial, special purpose and retail/shopping centres.

Laurence is the Chair of the Cowboys Football Club, a Director and former Chair of the Cowboys Leagues Club, and a life member of both of those Clubs and Townsville Enterprise Limited.

Laurence is the Immediate Past President of the Property Council's Queensland Division. Director from 30 March 2017 to 3 April 2019.

Louise Mason

Group Executive & CEO Commercial Property, Stockland

Louise joined Stockland as Group Executive and CEO Commercial Property in June 2018. Louise is responsible for all aspects of Stockland's extensive Commercial Property portfolio of shopping centres, logistics and business parks, and office assets with a combined value of over \$10 billion.

Louise has 28 years' experience in real estate. Prior to joining Stockland, Louise was Chief Operating Officer of AMP Capital Real Estate. She has also held several senior executive operational and development roles at AMP in retail, office, and industrial, as well as retail management positions at Lendlease. She holds a Bachelor of Arts / Bachelor of Law (Honours) from Macquarie University.

Louise is the Immediate Past President of the Property Council's New South Wales Division. Director from 14 April 2016 to 3 April 2019.

Alison Quinn

Member – EDQ Project Review Panel, Department of State Development

Alison Quinn was previously the Chief Executive Officer of RetireAustralia, the largest privately-owned retirement village operator in Australia, with a portfolio of 27 villages nationally, including 3,700 villas and apartments.

Alison is one of Australia's most experienced senior property executives with an extensive track record of success, having previously held positions as Executive General Manager Retirement at Aveo Group, CEO Growth Management Queensland for the Queensland State Government and Executive General Manager of Sanctuary Cove, a leading master-planned residential resort community on Queensland's Gold Coast. She has extensive development and investment experience in the seniors' housing, property and construction sector. Additionally, Alison has held Chair and Board memberships across multiple public sector growth projects. She has a degree in Commerce from the University of Queensland.

Alison is the Immediate Past President of the Retirement Living Council. Director from 14 April 2016 to 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2019

1. Directors (continued)

Darren Steinberg

Chief Executive Officer of Dexus and an Executive Director of Dexus Funds Management Limited

Darren Steinberg is the CEO of Dexus and an Executive Director of Dexus Funds Management Limited. Darren has over 30 years' experience in the property and funds management industry with an extensive background in office, industrial and retail property investment and development. Darren has a Bachelor of Economics from the University of Western Australia. Darren is a Fellow of the Australian Institute of Company Directors, Royal Institution of Chartered Surveyors and the Australian Property Institute. He is also a Director of VGI Partners Limited and a Trustee of the Museum of Applied Arts & Sciences.

Darren is also a founding member of the Property Male Champions of Change. Director from 16 April 2009 to 3 April 2019 and National President from 7 April 2011 to 23 April 2015.

Tanya Trevisan

Chief Operating Officer, Iris Residential

Tanya Trevisan is Chief Operating Officer and an executive Director of Iris Residential, a privately-owned Western Australian property developer with a strong track record in the successful delivery of quality multi-residential, commercial and mixed-use developments. She brings almost 30 years' of national and international property experience to the role, delivering a range of large-scale inner-city redevelopment projects in London, Berlin and Sydney over a period of almost two decades before returning to WA and commencing at Iris Residential (then TRG Properties) in 2004. Today, Iris Residential is one of WA's biggest and most successful apartment developers. A Fellow of the Australian Institute of Architects and Graduate of the Australian Institute of Company Directors, Tanya was the immediate past president of the Property Council's WA Division and is a leading advocate for quality apartment design and progressive planning policy.

Tanya is the Immediate Past President of the Property Council's Western Australian Division. Director from 31 May 2017 to 3 April 2019.

Roger Teale

Head of Markets - Victoria, Lendlease

Roger is Head of Markets at Lendlease. He is highly regarded, within the industry, for building strong relationships with clients, government, consultants, subcontractors, and team members to ensure a mutual achievement of successful project outcomes. In addition to his role at Lendlease, Roger is a board member of the Victorian Aboriginal Economic Board and a member of Committee for Melbourne and CEDA.

Roger is the Immediate Past President of the Property Council's Victorian Division. Director from 30 March 2017 to 3 April 2019.

2. Committee member (non-Director)

Adrian Williams

Chief Financial Officer & Chief Operating Officer (Acting), AMP Capital

Adrian has been at AMP Capital for 10 years with the majority of this time as Head of Finance for Real Estate. He moved into his current role in September 2017 where he is responsible for Governance and Risk, ESG and Technology. Since early 2018 Adrian has also been acting in the COO role.

Committee member from 26 September 2016 to 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2019

3. Company secretary

Joanne Gullick

Chief Financial Officer | Head of Business Innovation | Company Secretary, Property Council of Australia

Jo Gullick has over 25 years' experience in finance and corporate governance. Jo has worked in a broad range of industries including an industry membership organisation, an ASX publicly listed company, performing arts, retail and chartered accountancy. She has sat on a number of boards in her capacity as company secretary. Jo holds a Bachelor of Commerce from the Australian National University. She is also a Fellow of the CPAs and has obtained a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Appointed Company Secretary 8 June 2016.

4. Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Group during the financial year are:

Director	Board Meetings		Audit & Risk Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Mr Stephen Conry	6	6				
Ms Susan Lloyd-Hurwitz	6	6			2	2
Mr David Harrison	4	6	2	2		
Ms Kylie Rampa	2	6			2	2
Mr Peter Allen	3	6				
Ms Virginia Briggs	5	6			1	2
Mr Jonathan Callaghan	2	2	1	1		
Ms Deborah Coakley	2	2				
Mr Travis Doherty	2	2				
Mr Christian Grahame	2	2				
Mr Bruce Harper	2	2				
Ms Carmel Hourigan	5	6	1	1		
Mr Bob Johnston	3	6				
Ms M-L MacDonald	1	2				
Mr Steve Maras	5	6				
Mr Scott Nugent	2	2				
Mr Carl Schibrowski	2	6				
Mr Mark Steinert	4	6				
Ms Josephine Sukkar AM	1	2				
Mr Andrew Whitson	3	6				
Ms Anastasia Clarke	4	4				
Mr Grant Kelley	1	4				
Mr Laurence Lancini	3	4				
Ms Louise Mason	3	4				
Ms Alison Quinn	4	4				
Mr Darren Steinberg	3	4				
Mr Roger Teale	2	4				
Ms Tanya Trevisan	4	4				
Mr Adrian Williams*	0	0	0	1		

A – Number of meetings attended.

B – Number of meetings held during the time the Director held office during the year

* Committee member (non-Director)

Directors' Report (continued)

For the year ended 30 June 2019

5. Short-term and long-term objectives

The Group's short-term and long-term objectives are to champion a strong Australian property industry through policy advocacy, research and education including the supply of information to members and others through the provision of seminars, forums, and conferences; education and professional development programs; research insights and projects, and member, industry and public communications activities.

These objectives reflect our industry's status as Australia's biggest employer and its significant contribution to Australia's economic and social well-being.

6. Strategies for achieving short and long-term objectives

The Group launched its new three-year strategy in 2018 that builds on our achievements to date, while also creating added value for members in new and different ways. The strategy was based on deep consultation with members and is designed to deliver advocacy outcomes, industry leadership and valuable services to members. Our 2018-2020 strategy sets out four clear goals: powerful advocacy, industry leadership, exceptional member value and a dynamic organisation. The results of the Group for the year ended 30 June 2019 was a profit of **\$338,549** (2018: profit \$195,374).

7. Principal activities

The principal activities of the Group during the course of the financial year ended 30 June 2019 were public policy advocacy and the provision of information, professional development, research and events activities for the members of the Property Council of Australia and the property industry.

These activities have assisted the organisation in achieving its objectives by shaping policy and regulatory outcomes relevant to the property industry as well as providing opportunities for its members to grow their businesses and improve their professional and industry knowledge and participation.

8. Performance measures

To achieve these 2018-2020 goals, we have developed nine strategies. Together these strategies reflect our unique position as Australia's largest industry that contributes more than \$200 billion to GDP and supports 1.4 million jobs. These strategies include: advocacy impact, showcasing the industry's contribution to the community, attracting talent to our industry, championing diversity and inclusion, stronger membership engagement, digital delivery, exceptional events, member services, creating new value for members and a great place to work

9. Contributions in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity.

10. Auditor's Independence Declaration

The Auditor's Independence Declaration as required under s.307C of the Corporations Act 2001 is set out on page 12 and forms part of the Directors' report for the financial year ended 30 June 2019.

This report is made with a resolution of the Directors:

Stephen Conry AM

Director

Dated at Hamilton Island

11 September 2019

Auditor's Independence Declaration

To the Directors of the Property Council of Australia Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of the Property Council of Australia Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter
Partner – Audit & Assurance

Sydney, 11 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Revenue			
Subscriptions / membership fees		12,755,332	12,118,359
Events		17,451,163	16,585,999
Education		2,039,007	1,629,111
Communication		574,595	602,041
Advocacy		15,207	11,050
Information		1,479,264	1,344,917
Accreditation		9,949	30,911
Other revenue	2	542,491	303,428
Total revenue		34,867,008	32,625,816
Expenses			
Events		11,357,656	10,401,204
Education		965,345	805,077
Communication		117,629	120,159
Advocacy		7,640,857	8,097,122
Information		569,741	547,806
Shopping Centre Council management fees		565,738	535,000
Corporate services (including depreciation)		13,331,108	11,929,724
Total expenses		34,548,074	32,436,092
Surplus before income tax		318,934	189,724
Income tax expense	1(p)	-	-
Surplus for the year		318,934	189,724
Other comprehensive income			
Unrealised net fair value gain in financial assets at FVOCI		19,615	5,650
Other comprehensive income for the year		19,615	5,650
Total comprehensive income for the year		338,549	195,374

The notes on pages 18 to 30 are an integral part of these financial statements.

Consolidated Statement of Financial Position**As at 30 June 2019**

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	4	8,055,584	6,465,144
Trade receivables and other assets	5	2,659,990	3,150,154
Financial assets	6	1,782,589	3,500,000
Lease asset		27,185	10,138
Total current assets		12,525,348	13,125,436
Non-current assets			
Property, plant and equipment	7	2,502,588	1,762,154
Financial assets	6	6,660,291	5,330,464
Total non-current assets		9,162,879	7,092,618
Total assets		21,688,227	20,218,054
Current liabilities			
Trade and other payables	8	2,686,475	2,964,380
Deferred income	9	9,042,425	7,934,610
Employee benefits	10	2,412,956	2,187,873
Lease liability		3,772	25,705
Total current liabilities		14,145,628	13,112,568
Non-current liabilities			
Employee benefits	10	248,553	161,335
Lease liability		369,921	358,575
Total non-current liabilities		618,474	519,910
Total liabilities		14,764,102	13,632,478
Net assets		6,924,125	6,585,576
Funds			
Accumulated funds		6,898,860	6,579,926
Reserve		25,265	5,650
Total funds		6,924,125	6,585,576

The notes on pages 18 to 30 are an integral part of these financial statements.

Consolidated Statement of Changes in Funds**For the year ended 30 June 2019**

	Note	Accumulated funds \$	Financial Assets FVOCI Reserve \$	Total \$
Opening balance at 1 July 2017		6,390,202	-	6,390,202
Surplus for the year		189,724	-	189,724
Other comprehensive income		-	5,650	5,650
Closing balance at 30 June 2018		6,579,926	5,650	6,585,576
For the year ended 30 June 2019				
Opening balance at 1 July 2018		6,579,926	5,650	6,585,576
Surplus for the year		318,934	-	318,934
Other comprehensive income		-	19,615	19,615
Closing balance at 30 June 2019		6,898,860	25,265	6,924,125

The notes on pages 18 to 30 are an integral part of these financial statements.

Consolidated Statement of Cash Flows**For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Cash receipts from members and sponsors		39,523,563	33,781,824
Cash payments to suppliers and employees		<u>(37,366,877)</u>	<u>(34,640,186)</u>
Net cash provided by/(used in) operating activities	14	2,156,686	(858,362)
Cash flows from investing activities			
		4	
Interest and investment income received		441,739	335,734
Net proceeds from financial assets		407,199	4,295,533
Acquisition of property, plant and equipment		<u>(1,415,184)</u>	<u>(576,630)</u>
Net cash (used in)/provided investing activities		(566,246)	4,054,637
Net increase in cash and cash equivalents		1,590,440	3,196,275
Cash and cash equivalents at 1 July		6,465,144	3,268,869
Cash and cash equivalents at 30 June	4	<u>8,055,584</u>	<u>6,465,144</u>

The notes on pages 18 to 30 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies

Property Council of Australia Limited is a company limited by guarantee domiciled in Australia. The address of the Group's registered office is Level 1, 11 Barrack Street, Sydney, New South Wales, 2000. The Group is a not-for-profit entity and is primarily involved in public policy advocacy and the provision of information, professional development, research and events activities for its members and the property industry.

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) reduced disclosure requirements) and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 11 September 2019.

(b) Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary as of 30 June 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiary has a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of the subsidiary are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through other comprehensive income which are measured at fair value

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's functional currency.

(e) New and revised standards that are effective for these financial statements

The accounting policies applied in 2018-19 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2018-19 and have not had any material impact upon initial application includes:

- AASB 9 Financial Instruments, which is applicable to annual reporting periods beginning on or after 1 January 2018

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(i) New standards adopted as at 1 January 2018

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 January 2018.

Classification and measurement of the Group's financial assets

Fixed interest investments – available-for-sale financial assets under AASB 139 included fixed interest investments of \$4,547,875 at 30 June 2018. These were reclassified to fair value through other comprehensive income (FVOCI) under AASB 9. The Group intends to hold these to sell as well as to collect the contractual cash flows and these cash flows are solely payments of principal and interest. There are no differences arising from the adoption of AASB 9 in relation to this class of financial assets.

Classification and measurement under AASB 139 does not result in any changes under AASB 9 as the following categories will remain as amortised cost:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables

(ii) Accounting standards issued but not yet effective and not been adopted early by the Group

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the financial year ended 30 June 2019 but are available for early adoption. They have not been applied in preparing this financial report.

AASB 15 Revenue from Contracts with Customers and Consequential amendments

AASB 15 provides a new five step model for recognising revenue earned from a contract with a customer and will replace the existing AASB 118 Revenue and AASB 111 Construction Contracts. AASB 15 is effective after years beginning 1 January 2019. No material impact is expected from the application of AASB 15.

AASB 16: Leases

AASB 16 provides a new model for accounting for leases. Early adoption is permitted under certain circumstances. AASB 16 is effective for the annual reporting periods beginning on or after 1 January 2019. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 16.

AASB 1058: Income of Not-for-Profit Entities

AASB 1058 which becomes effective 1 January 2019 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(e) Changes in significant policies accounting (continued)

This Standard applies when an NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (eg AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as contributions by owners, revenue, or a contract liability arising from a contract with a customer. These related amounts are then accounted for in accordance with the applicable Australian Accounting Standard.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 1058.

(f) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 1(k) – impairment
- Note 1(l) – employee benefits
- Note 1(m) – provisions

(g) Property, plant and equipment

Owned assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (see accounting policy note 1(j)). Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation and amortisation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The residual value, the useful life and the depreciation method applied to an asset are reviewed at each reporting date.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(g) Property, plant and equipment (continued)

The estimated useful lives for the current and comparative periods for each asset class are as follows:

▪ Software & websites	2.5 - 5 years
▪ Furniture & equipment	5 - 10 years
▪ Leasehold improvements	4 - 10 years

(h) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy note 1(k)).

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, at call deposits, term deposits and commercial bills invested for periods not exceeding 90 days.

(j) Financial assets and liabilities

Recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The Group's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(k) Impairment

Financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(l) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Group's net obligation in respect of long-service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates, including related on-costs and expected settlement dates, and is discounted using the rates attached to the high quality corporate bonds.

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(n) Revenue

Rendering of services

Revenue principally relates to membership subscriptions, sponsorships, advertising, professional development courses and events. Revenue from members' subscriptions, sponsorship and advertising is recognised over the period to which each relates.

Revenue from professional development courses, events and other products and services is recognised in the period in which the course, event or service is provided.

Interest revenue

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

Government grants

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

(o) Expenses

Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(p) Income tax

No provision for income tax has been raised as the Group is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(q) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

Notes to the Consolidated Financial Statements

Note 2. Other revenues from ordinary activities

	2019	2018
	\$	\$
Interest and investment revenue	506,879	272,389
Other income	35,612	31,039
	542,491	303,428

Note 3. Surplus before income tax

	2019	2018
	\$	\$
The surplus for the year includes the following specific charges:		
- Depreciation of furniture and equipment	314,756	328,578
- Amortisation of software and websites	261,931	174,434
- Depreciation of leasehold improvements	98,063	53,376
- Operating lease expense	1,398,117	1,454,418
- Personnel expenses	16,258,856	14,318,045

Note 4. Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank and on hand	2,555,584	1,965,144
Short term deposits	5,500,000	4,500,000
	8,055,584	6,465,144

Note 5. Trade receivables and other assets

	2019	2018
	\$	\$
Trade receivables	1,286,837	1,940,114
Allowance for expected credit losses	(8,909)	(39,019)
Interest accrued	82,249	17,289
Prepayments	1,299,813	1,231,770
	2,659,990	3,150,154

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$8,909 (2018: \$39,019) has been recorded accordingly within other expenses. The movement in the allowance for credit losses can be reconciled as follows:

	2019	2018
	\$	\$
Reconciliation of credit losses		
Balance as at 1 July	39,019	-
Net amounts written off and impaired (collected or impairment reversed)	(30,110)	39,019
Balance as at 30 June	8,909	39,019

Notes to the Consolidated Financial Statements

Note 6. Financial assets

	2019	2018
	\$	\$
Current		
Short term bank deposits (maturity greater than 90 days) – at amortised cost	1,782,589	3,500,000
	1,782,589	3,500,000
Non-current		
Corporate bonds held at fair value through other comprehensive income (FVOCI)	6,660,291	4,547,875
Long term bank deposits (maturity greater than 365 days) – at amortised cost	-	782,589
	6,660,291	5,330,464

Note 7. Property, plant and equipment

	Leasehold Improvements	Software & Websites	Furniture & Equipment	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2017	602,539	1,877,133	3,021,444	5,501,116
Acquisitions	17,530	536,608	32,473	586,611
Write-offs and disposals	(136,060)	(1,179,433)	(1,782,091)	(3,097,584)
Balance at 30 June 2018	484,009	1,234,308	1,271,826	2,990,143
Balance at 1 July 2018	484,009	1,234,308	1,271,826	2,990,143
Acquisitions	685,509	614,807	121,944	1,422,260
Write-offs and disposals	-	-	(37,385)	(37,385)
Balance at 30 June 2019	1,169,518	1,849,115	1,356,385	4,375,018
Depreciation and impairment losses				
Balance at 1 July 2017	295,314	1,334,835	2,122,264	3,752,413
Depreciation/amortisation	53,376	174,434	328,578	556,388
Write-offs and disposals	(136,058)	(1,179,433)	(1,765,321)	(3,080,812)
Balance at 30 June 2018	212,632	329,836	685,521	1,227,989
Balance at 1 July 2018	212,632	329,836	685,521	1,227,989
Depreciation/amortisation	98,063	261,931	314,756	674,750
Write-offs and disposals	-	-	(30,309)	(30,309)
Balance at 30 June 2019	310,695	591,767	969,968	1,872,430
Carrying amounts at 30 June 2018	271,377	904,472	586,305	1,762,154
Carrying amounts at 30 June 2019	858,823	1,257,348	386,417	2,502,588

The carrying amount of software and websites above includes work-in-progress assets totalling \$673,922 (2018: \$111,090).

Notes to the Consolidated Financial Statements

Note 8. Trade and other payables

	2019	2018
	\$	\$
Trade payables and accruals – amortised cost	2,325,385	2,343,752
Special contribution for member research (note (a))	361,089	620,628
	2,686,475	2,964,380

(a) Special contribution for member research

In 2018, special contributions were collected from the Property Council Cyber Security Roundtable members to engage Deloitte to provide cyber security advisory services to assist the group in proactively managing cyber security threats in the build environment. Member contributions to this research during 2019 totalled \$252,375 (2018: \$265,000).

Also, in 2018 special contributions were collected from our Retirement Living members to commence a retirement living industry advertising campaign. Member contributions to this campaign during 2019 totalled \$1,355,129 (2018: \$587,128).

In 2019, special contributions were collected from the members to engage an external provider to build a technology platform to assist members in assessing existing and prospective suppliers for evaluation against the requirements of the Modern Slavery legislation. Member contributions to this research during 2019 totalled \$413,775 (2018: \$0).

Note 9. Deferred income

	2019	2018
	\$	\$
Subscriptions received in advance	5,662,138	4,279,922
Sponsorships billed in advance	897,358	1,289,149
Other fees billed in advance	2,482,929	2,365,539
	9,042,425	7,934,610

Note 10. Employee benefits

	2019	2018
	\$	\$
Current		
Annual leave	761,158	652,481
Long service leave	220,665	261,853
Bonuses accrued	1,431,133	1,273,539
	2,412,956	2,187,873
Non-current		
Long service leave	248,553	161,335

Note 11. Member's guarantee

The Group is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company.

Notes to the Consolidated Financial Statements

Note 12. Related Party Transactions

(i) Key management personnel disclosures

The Key Management Personnel (KMP) include members of the Group's Board of Directors and Executive Management.

The Non-Executive Directors of the Group received no compensation during the current and prior year. They may receive reimbursements of expenses incurred in the course of business.

The compensation of the Executive Management is set out below.

	2019	2018
	\$	\$
Total KMP Compensation	<u>4,776,525</u>	<u>4,521,556</u>

(ii) Other related party transactions

Other than membership and related fees payable to the Group by Director related entities in the normal course of business, there are no other related party transactions in the current or prior year.

Note 13. Operating leases

Leases as lessee

	2019	2018
	\$	\$
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	1,346,248	1,281,947
Between one and five years	4,769,317	4,655,946
More than five years	859,276	608,857
	<u>6,974,841</u>	<u>6,546,750</u>

Notes to the Consolidated Financial Statements

Note 14. Notes to the Statement of Cash Flows

	2019	2018
	\$	\$
Reconciliation of net cash flows from operating activities:		
Surplus for the year	318,934	189,724
Less items classified as investing activities:		
Interest and investment income received	(441,919)	(272,389)
Add non-cash items:		
Amortisation	98,063	53,376
Depreciation	576,687	502,825
Gain on disposal of PPE	-	6,790
	551,765	480,326
Change in receivables	558,207	(1,068,488)
Change in prepayments	(84,910)	(179,756)
Change in payables	(277,905)	461,654
Change in lease liability	(10,587)	124,204
Change in deferred income	1,107,815	(777,290)
Change in provisions	312,301	(100,988)
Net cash from operating activities	2,156,686	(858,362)

Note 15. Fair value measurement

The following table shows the financial assets and liabilities measured at fair value on a recurring basis at 30 June 2019 and 30 June 2018.

	Note	2019	2018
		\$	\$
Financial assets			
Corporate bonds	6	6,660,291	4,547,875

Note 16. List of subsidiaries

Set out below details the subsidiary held by the Group:

Name	Principal place of business	Ownership Interest %	
		2019	2018
Lifemark Village Pty Limited	Australia	100	100

Property Council of Australia Limited is the parent entity of the Group. Lifemark Village Pty Limited was acquired to manage a new accreditation standard for retirement villages throughout Australia. Management fees are paid each year to Property Council of Australia Limited for governance and oversight of the subsidiary. During 2019, a total of \$25,000 in management fees were incurred by the subsidiary (2018: \$25,000).

Notes to the Consolidated Financial Statements

Note 17. Parent entity information

As at, and throughout, the financial year ended 30 June 2019 the parent entity of the Group was the Property Council of Australia Limited.

	2019 \$	2019 \$
Statement of Profit or Loss and Other Comprehensive Income		
Surplus for the year	273,433	184,067
Other comprehensive income	19,615	5,650
Total comprehensive income for the year	293,048	189,717
Statement of Financial Position		
Current assets	11,761,550	13,097,891
Total assets	21,707,017	20,190,509
Current liabilities	14,147,928	13,114,028
Total liabilities	14,782,892	13,633,938
Accumulated funds	6,924,125	6,556,571
Total funds	6,924,125	6,556,571

Note 18. Subsequent events


No events have occurred subsequent to balance date that would have a material effect on the financial statements at 30 June 2019.

Directors' Declaration

In the opinion of the Directors of the Property Council of Australia Limited (the "Company"):

- (a) the consolidated financial statements and notes, set out on pages 14 to 30, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting and the Corporations Regulations 2001;
- (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.

Signed in accordance with a resolution of the Directors:



Stephen Conry AM
Director

Dated at Hamilton Island

11 September 2019

Independent Auditor's Report

To the Members of the Property Council of Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of the Property Council of Australia Limited (the "Company") and its subsidiary (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

1. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
2. complying with Australian Accounting Standards and the 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 are independent of the Group in accordance with 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 (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.

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

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 the 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter

James Winter
Partner – Audit & Assurance

Sydney, 11 September 2019