ANNUAL FINANCIAL REPORT

Property Council of Australia Limited

ABN 13 008 474 422

30 June 2022

Contents

For the year ended 30 June 2022

Directors' Report

For the year ended 30 June 2022

The Directors present their report together with the consolidated financial report of the Property Council of Australia Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2022 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:

David Harrison – National President
Managing Director and Group CEO, Charter Hall Group
As Charter Hall's Managing Director and Group CEO, David Harrison 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 33 years global property market experience and has led transactions exceeding $40 billion of commercial, retail and industrial property assets. Under his stewardship, the Charter Hall Group portfolio has grown from $500 million to $52 billion of assets under management. David is a Fellow of the Australian Property Institute (FAPI), and Property Champions of Change.

David is the National President of the Property Council of Australia, appointed 30 March 2021, and a member of the Board of Directors since 14 April 2016. He is also Chair of the Nominations Committee and the Financial Management Committee, and a member of the Remuneration, People & Culture Committee.

Stephen Conry AM – Immediate Past President
Formerly Chief Executive Officer, JLL Australia & New Zealand
Stephen Conry AM was 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 to the Australian Board, appointed as an International Director, and has 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 currently 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.

Director from 3 April 2014 to 28 March 2022. National President from 3 April 2019 to 30 March 2021.

Sophie Fallman – National Vice President
Managing Partner, Head of Real Estate, Brookfield Asset Management
Sophie Fallman is a Managing Partner of Brookfield Asset Management and Head of Real Estate in Australia. In this role, she is responsible for overseeing all of Brookfield's real estate activities, including investments, asset portfolio management and new fund formation in the country. Prior to her current role, Sophie was the Chief Operating Officer of Brookfield's private real estate funds in New York, where she was involved in fund operations, portfolio management and investor relations, as well as pursuing strategic fund initiatives for Brookfield globally. Prior to joining Brookfield in 2010, she was the fund manager of a core-plus institutional real estate fund at Investa Property Group in Sydney, where she gained experience in asset management, development management and corporate property acquisitions. Sophie holds a Bachelor of Architecture (Honours) from RMIT University, a Master of Finance from Financial Services Institute of Australasia ("FINSIA") and has completed the Program for Leadership Development at Harvard Business School.

Sophie is a Vice President of the Property Council of Australia and a Director since 30 March 2021. She is also a member of the Nominations Committee, the Remuneration, People & Culture Committee and the Financial Management Committee.

Directors' Report (continued)

For the year ended 30 June 2022

1. Directors (continued)

Bob Johnston – National Vice President
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 more than 30 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 property classes including office, industrial and retail. Prior to joining GPT, Bob was Managing Director of the ASX-listed Australand Property Group (now known as Frasers Property Australia) and held several senior management positions with Lendlease.

Bob is a Vice President of the Property Council of Australia since 30 March 2021 and a Director since 14 April 2016. He is also a member of the Nominations Committee and the Financial Management Committee. Bob is a Corporate Leader representative on the Board of Directors for the Property Council of Australia and Chairman of the Property Champions of Change.

Peter Allen
Formerly Chief Executive Officer, Scentre Group
Peter Allen was 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.

Peter is a member of the Property Champions of Change. Director from 23 April 2015 to 11 August 2022.

Virginia Briggs
Chief Executive Officer & Managing Partner, MinterEllison
Virginia is the Chief Executive Officer and Managing Partner of MinterEllison. She is a market-leading practitioner in the property, development and infrastructure markets acting for both government and private 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.

Virginia is passionate about the property industry and is Board member of Committee for Sydney and chair of its Knowledge Economy Taskforce. In addition to her industry leadership, Virginia also holds multiple leadership roles within MinterEllison including on the firm's Diversity and Innovation Committees. Virginia's expertise is widely recognised within the legal community being ranking in several peer directories including a band 1 ranking in Chambers Asia Pacific, recognition in Doyles Guide as 'Preeminent' and is listed in Best Lawyers.

Virginia is an Associate Member representative of the Board of Directors for the Property Council of Australia and is the Chair of the Remuneration, People & Culture Committee. Director since 28 May 2015.

Deborah Coakley
Executive General Manager, Funds Management, Dexus
Deborah Coakley is Executive General Manager of Funds Management at Dexus, one of Australia's leading real estate groups. She has responsibility for managing its $21 billion funds management platform comprising a number of wholesale pooled funds and capital partnerships. She has more than 25 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.

Directors' Report (continued)

For the year ended 30 June 2022

1. Directors (continued)

Dale Connor
Chief Executive Officer Australia, Lendlease
Appointed Chief Executive Officer of Lendlease Australia in July 2021, Dale is responsible for overseeing the Australian business which encompasses the integrated business model of Development, Construction and Investments. Dale joined Lendlease in 1988 and has worked in senior roles across Australia, China and the United States. Most recently, he held the position of Chief Executive Officer, Building which is recognised for market leading project management, design and construction services. In addition, he was overseeing the operations of Lendlease's Engineering business from December 2018 until it's separation in 2020. Prior to this, Dale held the position of Chief Operating Officer of Construction & Infrastructure in Australia. He has also held executive positions in the America's operations including Managing Director of Project Management & Construction, Managing Director of Military Housing; and Executive Vice President of Investment Management.

Dale has extensive experience in project management and construction, as well as design, development and privatisation. Dale holds a Bachelor of Engineering (Civil) from University of Queensland.

Dale is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Director since 28 July 2021.

Adrian Esplin
Chief Executive Officer, Sarah Constructions
Adrian Esplin is the CEO of Sarah Constructions (60-year family business), leading the organisation since 2014. In that time, Adrian has grown the Sarah business three-fold to an annual turnover of $0.5bn, to be a significant commercial contractor and property owner in South Australia.

Adrian's career has spanned over 25 years in commercial construction and development, starting in 1994 with GHD as a structural engineer, before moving into contracting with Lendlease. In 2000 he commenced with Brookfield Multiplex; in 2007 becoming Regional Director and member of the Vic/SA Executive. During this period, he also assumed responsibility for Multiplex Developments SA.

Adrian has served on various business and community boards and is currently Director of Youthinc, an alternate education provider for disadvantaged youth recently achieving accreditation from the Department of Education. He is also an adjunct lecturer for the School of Civil and Environmental Engineering at the University of Adelaide.

Adrian is the President of the Property Council's South Australian Division. Director from 1 April 2020.

Kim Gregory
Fund Manager-Mandates, Investa
Kim Gregory is the Fund Manager, Mandates and is responsible for the for the management of international and domestic private client investment mandates, setting and executing investment strategies to ensure performance and return objectives are delivered in accordance with client requirements.

Kim has over 25 years of experience in the property industry across commercial, retail and industrial sectors in Australia and New Zealand. Prior to joining Investa in 2011, she held various roles at Brookfield Multiplex, Principal Global Investors and AMP Capital. Kim holds a Bachelor of Business (Property) and a Graduate Diploma in Applied Finance & Investment. Kim is a member of the AICD (Graduate), API and is also a Licenced Real Estate Agent.

Kim is President of the Property Council's New South Wales Division. Director since 30 March 2021.

Directors' Report (continued)

For the year ended 30 June 2022

1. Directors (continued)

Tarun Gupta

CEO and Managing Director, Stockland

Tarun Gupta was appointed Managing Director and Chief Executive Officer of Stockland on 1 June 2021. Mr Gupta was also appointed to the Board of Directors on 1 June 2021. Tarun has over 25 years experience in the property industry and has held a number of senior roles at a large listed Australian property company including Chief Executive Officer, Property Australia, Group Head of Investment Management, Chief Investment Officer, Asia Pacific, Fund Manager, Australian Prime Property Funds and most recently Group Chief Financial Officer.

Tarun is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Director since 1 June 2021.

Andrew Hay

Director, Auxilium Property

Mr Hay is a senior real estate developer with in-depth experience delivering large scale and complex projects including urban regeneration projects, residential developments, commercial headquarters, regional shopping centres, infrastructure delivery and hotel/hospitality projects. Previously, Mr Hay, has held leadership positions in companies including Lendlease, Stockland Property Group and Queensland Investment Corporation. He most recently served four years as Property Council's Queensland Vice President and has been a member of numerous advisory committees and working groups within industry and government.

Andrew is President of the Property Council's Queensland Division. Director since 30 March 2021.

Marie-Louise MacDonald

CEO, Masonic Care

Marie-Louise MacDonald has over four decades of experience 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.

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

Michael O'Brien

Managing Director, QIC Global Real Estate

Michael joined QIC Global Real Estate from Vicinity where he held the positions of Chief Financial Officer and Chief Investment Officer, and previous to that spent almost a decade with GPT, where he was instrumental in strategically repositioning the business after the GFC, with roles including Acting Chief Executive, Chief Operating Officer and Chief Financial Officer. Michael continues to drive QIC Global Real Estate's diversity and inclusion initiatives as an executive member of the Property Council of Australia's Champions of Change Coalition (Property) program. Michael completed a Bachelor of Commerce at University of NSW and Harvard Business School's Advanced Management Program. Michael is also Vice President of the Shopping Centre Council of Australia.

Michael is a Corporate Leader representative of the Board of Directors for the Property Council of Australia and the Chair of the Audit and Risk Committee. Director since 30 June 2021.

Directors' Report (continued)

For the year ended 30 June 2022

1. Directors (continued)

Kylie O'Connor
Head of Real Estate, AMP Capital
Kylie was appointed Head of Real Estate, AMP Capital in August 2020. In this role, Kylie is accountable for managing over $23 billion of commercial real estate as well as overseeing our integrated fund, investment, development and property management platform and the management of strategic global partnerships. Prior to her appointment, Kylie was the Chief Operating Officer and Managing Director of Separate Accounts. Kylie joined AMP Capital in 2015 as Fund Manager of the AMP Capital Diversified Property Fund (ADPF) before moving into the role of COO in February 2019 and taking on the expanded remit of Managing Director of Separate Accounts in August 2019. Kylie has 25 years' experience in property funds management and has been involved in the delivery of several large development projects on behalf of wholesale investors. She joined AMP Capital having held funds management, audit and advisory roles at Lendlease and Arthur Andersen. Kylie holds a Bachelor of Commerce (Land Economics) and Graduate Diploma in Applied Finance and Investment.

Kylie is a Corporate Leader representative of the Board of Directors for the Property Council of Australia and a member of the Audit and Risk Committee. She is also a member of the Property Champions of Change. Director since 30 March 2021.

Stuart Penklis
Head of Residential, Mirvac
Stuart Penklis was appointed Head of Residential in April 2017. Stuart has more than 25 years of experience in the property industry, including a number of senior roles in his 19 years with Mirvac, across investment and development in multiple sectors. Since joining Mirvac in 2002, Stuart has played a lead role in securing and delivering a diverse set of the Group's large-scale residential, mixed use and industrial projects, such as Harold Park, Nine at Willoughby, and Green Square. Prior to joining Mirvac, Stuart spent six years at FPD Savills.

Stuart is the Chair of the Residential Development Council. Director since 30 March 2021.

Arabella Rohde
Senior Development Manager, Development, Retirement Living, Lendlease
Arabella is a Senior Development Manager - Development, Retirement Living at Lendlease. With over 22 years' experience, she has a background in property development, urban planning and sustainable development and has held many diverse roles across Australia. Her industry experience includes a wide range private and government projects with a wide range of asset classes from commercial to retirement living. Arabella's experience includes all stages of the property development, including project inception, design, delivery and operation.

Arabella is President of the Property Council's Australian Capital Territory Division. Director since 30 March 2021.

Josephine Sukkar AM
Principal, Buildcorp
Josephine is a professional company director who works across a range of industries including property, construction, finance, sport, the arts, medical research and social services. Josephine is Principal of Buildcorp, and serves on a number of private, public, government and not-for-profit boards, including The Washington H. Soul Pattinson and Company Limited, Growthpoint Properties Australia, Opera Australia, The Australian Museum, Green Building Council of Australia, Centenary Institute of Medical Research and the Buildcorp Foundation.

She is president of Australian Women's Rugby and through Buildcorp has been a major sponsor of rugby in Australia for nearly 30 years. In 2021, Josephine was appointed Chair of the Australian Sports Commission. Josephine is a Fellow of the University of Sydney, and in 2017 she was recognized 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 of the Property Council of Australia. Director since 3 April 2019.

Directors' Report (continued)

For the year ended 30 June 2022

1. Directors (continued)

Sam Tarascio
Managing Director, Salta
Sam commenced at Salta in 1999 and became Managing Director in 2005. As Managing Director, Sam is responsible for delivering a project pipeline of over $5 billion in VIC, NSW, TAS and WA. His 20 years plus experience in the property industry started at Jones Lang LaSalle (JLL) in Retail Property Management and Commercial Sales and Leasing. A local of Melbourne Sam holds a Bachelor of Commerce (University of Melbourne), a Graduate Diploma in Property (RMIT) and is a licenced real estate agent.

Sam is President of the Property Council's Victorian Division. Director since 30 March 2021.

Paige Walker
General Manager, Residential Development WA, Mirvac
Paige Walker is General Manager, Residential Development WA at Mirvac. With over 15 years experience in the property sector in both Victoria and Western Australia, Paige has worked extensively across areas including development, construction and marketing. Since 2017, Paige has led Mirvac's residential business in WA as General Manager Residential. From acquisition through to delivery, Paige is responsible for the $0.8 billion development pipeline of apartments and master-planned communities. Paige holds a Bachelor of Commerce from Curtin University, a Master of Property from RMIT University and is also a Graduate of the Australian Institute of Company Directors.

Paige is President of the Property Council's Western Australia Division. Director since 30 March 2021.

2. Committee member (non-Director)

Keir Barnes
Chief Financial Officer, Dexus
Keir is Chief Financial Officer at Dexus, responsible for the finance function including financial operations and performance, planning and analysis, transactions and reporting, treasury, taxation, valuations, business services and investor relations. She has an extensive background in the property and funds management industry, with 20 years' experience gained in roles across finance, funds management ,real estate corporate advisory and chartered accounting.

Keir is a member of Chartered Accountants Australia and New Zealand, a Graduate of the Australian Institute of Company Directors and holds a Bachelor of Commerce from the University of New South Wales and a Master of Business Administration (Executive) from the Australian Graduate School of Management.

Keir has been a member of the Audit and Risk Committee since 2 September 2019.

3. Company secretary

Andrew Nightingale
Chief Financial Officer and Company Secretary, Property Council of Australia

Appointed Company Secretary 21 February 2022
Andrew Nightingale has over 25 years' experience in financial and corporate governance. Andrew has worked across a wide range of sectors including public relations, financial services, family office, retail (including property styling and interior design), aged care and chartered accountancy. He has sat on a number of boards in his capacity as a director and company secretary. He is a Fellow Chartered Accountant (FCA) having trained at PwC in London and also holds a Bachelor of Science Hons in Civil Engineering.

Directors' Report (continued)

For the year ended 30 June 2022

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, People & Culture Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**
Mr David Harrison	6	6			3	3
Mr Stephen Conry AM	5	5				
Ms Sophie Fallman	5	6			3	3
Mr Bob Johnston	5	6				
Mr Peter Allen	5	6				
Ms Virginia Briggs	5	6			3	3
Ms Deborah Coakley	5	6				
Mr Dale Connor	6	6				
Mr Adrian Esplin	5	6				
Ms Kim Gregory	6	6				
Mr Tarun Gupta	5	6				
Mr Andrew Hay	4	6				
Ms Marie-Louise MacDonald	6	6				
Mr Michael O'Brien	6	6	2	2		
Ms Kylie O'Connor	6	6	2	2		
Mr Stuart Penklis	5	6				
Ms Arabella Rohde	6	6				
Ms Josephine Sukkar AM	5	6				
Mr Sam Tarascio	6	6				
Ms Paige Walker	5	6				
Ms Keir Barnes*			2	2		

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year
* Committee member (non-Director)

In addition to the above the Board also has a Nominations Committee that meets as required and a Financial Management Committee that was set up primarily to respond to the effects of COVID-19. Both committees report back to Board meetings on their findings and recommendations.

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.

Directors' Report (continued)

For the year ended 30 June 2022

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 Business Plan for F2022 that builds on our achievements to date, while also creating added value for members. Our strategy sets out four clear goals: powerful advocacy, industry leadership, exceptional member value and a dynamic organisation.

7. Measurement of Performance

The Group achieved a surplus for the year ended 30 June 2022 was a surplus of $87,147 (2021: $43,015).

8. Principal activities

The principal activities of the Group during the course of the financial year ended 30 June 2022 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.

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 14 and forms part of the Directors' Report for the financial year ended 30 June 2022.

This report is made with a resolution of the Directors:

David Harrison
Director
Dated at Gold Coast, 24 October 2022

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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 2022, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. 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, 24 October 2022

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022	2021
		$	$
Revenue from continuing operations			
Subscription and membership fees		**14,785,859**	13,478,704
Events		**14,249,321**	6,785,172
Education		**1,682,761**	1,477,036
Communication		**144,594**	454,895
Advocacy		**-**	39,000
Information		**1,489,095**	1,458,185
Other income	*2*	**88,518**	2,751,922
Total revenue and other income from continuing operations		**32,440,148**	**26,444,914**
Expenses			
Events		**9,647,003**	5,321,225
Education		**1,091,780**	901,820
Communication		**113,796**	351,923
Advocacy		**6,950,425**	6,071,343
Information		**527,400**	520,388
Shopping Centre Council financial contribution		**593,275**	572,488
Corporate services (including depreciation)		**13,449,407**	12,685,972
Total expenses		**32,373,086**	**26,425,159**
Surplus for the year		**67,062**	**19,755**
Other comprehensive income			
Unrealised net fair value gain in FVOCI financial assets		**17,085**	23,260
Other comprehensive income for the year		**17,085**	**23,260**
Total comprehensive income for the year		**87,147**	**43,015**

The notes on pages 15 to 28 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	*4*	**3,769,822**	7,473,889
Trade receivables and other assets	*5*	**2,581,566**	2,591,147
Financial assets	*6*	**16,887,469**	14,336,418
Total current assets		**23,238,857**	**24,401,454**
Non-current assets			
Property, plant and equipment	*7*	**483,147**	675,342
Financial assets	*6*	**-**	1,022,567
Intangibles	8	**1,153,371**	413,144
Right-of-use assets	*9*	**2,559,353**	3,821,719
Total non-current assets		**4,195,871**	**5,932,772**
Total assets		**27,434,728**	**30,334,226**
Current liabilities			
Trade and other payables	*10*	**1,952,624**	2,297,485
Contract liabilities	*11*	**12,312,842**	14,048,935
Employee benefits	*12*	**2,712,492**	2,360,557
Lease liabilities		**1,332,437**	1,314,445
Total current liabilities		**18,310,395**	**20,021,422**
Non-current liabilities			
Employee benefits	*12*	**305,134**	201,877
Lease liabilities		**1,617,712**	3,028,598
Provisions	*13*	**281,258**	246,247
Total non-current liabilities		**2,204,104**	**3,476,722**
Total liabilities		**20,514,499**	**23,498,144**
Net assets		**6,920,229**	**6,836,082**
Funds			
Accumulated funds		**6,920,229**	6,853,167
Reserves		-	(17,085)
Total funds		**6,920,229**	**6,836,082**

The notes on pages 15 to 28 are an integral part of these financial statements.

Consolidated Statement of Changes in Funds

For the year ended 30 June 2022

	Note	Accumulated funds	Reserves - FVOCI	Total
		$	**$**	**$**
Opening balance at 1 July 2020		6,833,412	(40,345)	6,793,067
Surplus for the year		19,755	-	19,755
Other comprehensive income		-	23,260	23,260
Closing balance at 30 June 2021		**6,853,167**	**(17,085)**	**6,836,082**
Opening balance at 1 July 2021		**6,853,167**	**(17,085)**	**6,836,082**
Surplus for the year		**67,062**	**-**	**67,062**
Other comprehensive income		**-**	**17,085**	**17,085**
Closing balance at 30 June 2022		**6,920,229**	**-**	**6,920,229**

The notes on pages 15 to 28 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022	2021
		$	$
Cash flows from operating activities			
Receipts from members and sponsors		**33,860,281**	31,677,350
Other income received		**36,967**	-
Payments to suppliers and employees		**(32,722,352)**	(25,805,594)
Net cash provided by operating activities	*16*	**1,174,896**	**5,871,756**
Cash flows from investing activities			
Interest and investment income received		**51,551**	119,960
Net investment into financial assets		**(1,511,399)**	(7,964,282)
Acquisition of property, plant and equipment		**(103,332)**	(117,602)
Acquisition of intangibles		**(1,759,733)**	(227,186)
Net cash used in investing activities		**(3,322,913)**	**(8,189,110)**
Cash flows from financing activities			
Lease payments (principal and interest)		**(1,556,050)**	**(1,425,990)**
Net cash used in financing activities		**(1,556,050)**	**(1,425,990)**
Net decrease in cash and cash equivalents		**(3,704,067)**	**(3,743,344)**
Cash and cash equivalents at 1 July		**7,473,889**	**11,217,233**
Cash and cash equivalents at 30 June	*4*	**3,769,822**	**7,473,889**

The notes on pages 15 to 28 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 and its subsidiaries (the "Group) 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 the requirements of the Australian Accounting Standards – Simplified Disclosures – and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 24 October 2022.

(b) Basis of consolidation

The financial statements consolidate those of the Property Council of Australia Limited (the "parent") and of its subsidiaries (the "Group") as of 30 June 2022. The parent controls its subsidiaries if it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. The subsidiaries 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 subsidiaries 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 and presentation currency.

(e) New accounting standards adopted during the year

No standards applicable for the first time this year have had a significant impact on the financial report.

Accounting standards issued but not yet effective

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the financial year ended 30 June 2022 but are available for early adoption. They have not been applied in preparing this financial report. The impact of such standards is not considered to be significant for the Group.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(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 (h) – leases
- Note 1 (l) – impairment
- Note 1 (m) – employee benefits
- Note 1 (n) – provisions

(g) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Cost includes expenditure that is 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.

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.

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

- Furniture & equipment 5 - 10 years
- Leasehold improvements 4 - 10 years

Impairment
The carrying amounts of the Group’s 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 it recoverable amount. Impairment losses are recognised in profit or loss.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(h) Leases

At inception of a contract, the Group 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. The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use. The Group 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.

- The Group has elected not to separate non-lease components from lease components and have accounted for all leases as a single component. At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group 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. 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 right-of-use asset is assessed for impairment indicators at each reporting date.

- 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 Group’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 Group’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 right-of-use asset has been reduced to zero. The Group has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leased corporate offices

The Group has leases over buildings including offices in Sydney, Melbourne, Brisbane, Adelaide, Perth and Canberra for the corporate office premises. The leases are between 5 and 10 years and three of the leases include a renewal option to allow the Group to review for up to one non-cancellable lease.

The building leases identified by the have been recognised as a right of use asset with a corresponding lease liability on the balance sheet. The Group has elected to use the exception to lease accounting for leases of low value assets.

The Group includes options in the leases to provide flexibility and certainty to its operations and reduce costs of moving premises. At commencement date and each subsequent reporting date, the Group assesses where it is reasonably certain that the extension options will be exercised.

There are $1,706,255 in potential future lease payments for Melbourne, Adelaide and Perth offices which are not included in lease liabilities as the Group has assessed that the exercise of the option is not reasonably certain.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(i) Intangibles

Intangible assets are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software and websites

Significant costs associated with software and websites are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2.5 - 5 years.

The Group has recognised costs as an intangible related to the development and implementation of software systems to the extent that such costs create code and systems that are controlled by the Group and from which economic value is retained.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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.

(k) 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.

(l) 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 rights to the cash flows have expired 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)
- fair value through other comprehensive income (FVOCI)

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(l) Financial assets and liabilities (continued)

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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.

Impairment of 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.

Financial liabilities
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.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

(m) 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.

(n) 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.

(o) Revenue

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the fund provider.

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
5. Recognise revenue

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the member or customer obtains control of the goods / services at a single time, whereas over time recognition is where the service is provided over an extended period.

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.

Notes to the Consolidated Financial Statements

Note 1. Statement of significant accounting policies (continued)

Rendering of services
Revenue principally relates to membership subscriptions, sponsorships, advertising, professional development courses and events.

Revenue from members' subscriptions is recognised over time. Revenue from sponsorship and advertising, professional development courses, events and other products and services is recognised in the period in which the course, event or service is provided, generally on a point in time basis when then the course, event, product or service has been provided.

Other income

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

(p) Contract asset and contract liabilities
Contract assets
Contract assets arise when work has been performed on a particular event or project and services have been transferred to the customer but the invoicing milestone has not been reached and the rights to the consideration are not unconditional. If the rights to the consideration are unconditional then a receivable is recognised.
No impairment losses were recognised in relation to these assets during the year (2021: $nil).

Contract liabilities
Contract liabilities generally represent the unspent grants or other fees received in advance or invoiced on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / fees.
Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

(q) Expenses
All expenditure is accounted for on an accruals basis and has been classified under headings reflecting the relevant function of the Group which incurred the cost. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources.

(r) 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.

(s) Goods and services tax (GST)
Revenue, expenses and assets are recognised net of the amount of goods and services tax, 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. Operating income

	2022	2021
	$	$
Other income		
Government COVID-19 stimulus funding income	**-**	2,496,750
Interest and investment income	**51,551**	132,128
Other	**36,967**	123,044
	88,518	2,751,922
Timing of revenue recognition		
Fees from provision of services recognised over time	**14,785,859**	13,478,704
Fees from provision of services recognised at a point in time	**17,565,771**	10,214,288
Other income recognised at point of time	**36,967**	2,619,794
Other income recognised when earned or right to receive – interest and investments	**51,551**	132,128
Total revenue and other income from continuing operations	**32,440,148**	26,444,914

Note 3. Expenses included in the surplus for the year

	2022	2021
	$	$
The surplus for the year includes the following specific charges:		
- Depreciation of furniture and equipment	**106,316**	133,288
- Amortisation of software and websites	**170,405**	424,608
- Depreciation of leasehold improvements	**189,211**	174,719
- Right-of-use assets (depreciation)	**1,262,367**	1,345,677
- Loss on write down or disposal of PPE, software and websites	**849,101**	587,991
- Interest expense on lease liabilities	**163,156**	204,466
- Operating lease expense	**-**	16,034
- Personnel expenses	**17,749,262**	15,565,613

Note 4. Cash and cash equivalents

	2022	2021
	$	$
Cash at bank and on hand	**3,769,822**	7,473,889
Short term deposits	**-**	-
	3,769,822	**7,473,889**

Notes to the Consolidated Financial Statements

Note 5. Trade receivables and other assets

	2022	2021
	$	$
Trade receivables	**1,364,813**	1,293,272
Allowance for expected credit losses	**(49,150)**	(1,905)
	1,315,663	**1,291,367**
Interest accrued	**17,831**	14,010
Prepayments	**1,248,072**	1,285,770
	2,581,566	**2,591,147**

All of the Group's trade receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for expected credit losses of $49,150 (2021: $1,905) has been recorded accordingly within other expenses.

The movement in the allowance for expected credit losses can be reconciled as follows:

	2022	2021
	$	$
Balance as at 1 July	**1,905**	800
Net amounts written off and impaired (collected or impairment reversed)	**47,245**	1,105
Balance as at 30 June	**49,150**	**1,905**

Note 6. Financial assets

	2022	2021
	$	$
Current		
Short term bank deposits – at amortised cost	**16,887,469**	14,336,418
	16,887,469	**14,336,418**
Non-current		
Corporate bonds held at fair value through other comprehensive income (FVOCI)	-	1,022,567
	-	**1,022,567**

Notes to the Consolidated Financial Statements

Note 7. Property, plant and equipment

	Leasehold Improvements $	Furniture & Equipment $	Total $
Cost			
Balance at 1 July 2020	1,127,138	1,381,502	2,508,640
Acquisitions	13,283	104,319	117,602
Write-offs and disposals	(26,128)	(1,162,769)	(1,188,897)
Balance at 30 June 2021	**1,114,293**	**323,052**	**1,437,345**
Balance at 1 July 2021	**1,114,293**	**323,052**	**1,437,345**
Acquisitions	**29,845**	**73,487**	**103,332**
Balance at 30 June 2022	**1,144,138**	**396,539**	**1,540,677**
Depreciation and impairment losses			
Balance at 1 July 2020	483,232	1,153,102	1,636,334
Depreciation charge	174,720	133,288	308,008
Write-offs and disposals	(25,851)	(1,156,489)	(1,182,340)
Balance at 30 June 2021	**632,101**	**129,901**	**762,002**
Balance at 1 July 2021	**632,101**	**129,901**	**762,002**
Depreciation charge	**189,211**	**106,316**	**295,527**
Balance at 30 June 2022	**821,312**	**236,217**	**1,057,529**
Carrying amount at 30 June 2021	482,193	193,149	675,342
Carrying amount at 30 June 2022	**322,828**	**160,319**	**483,147**

Note 8. Intangibles

	2022	2021
Software	**$**	$
Software - at cost	**1,300,086**	351,326
Less: accumulated amortisation	**(210,505)**	(91,792)
	1,089,581	**259,534**
Websites		
Website - at cost	**217,538**	255,666
Less: accumulated amortisation	**(153,748)**	(102,056)
	63,790	**153,610**
Total intangibles	**1,153,371**	**413,144**

The carrying amount of software and websites above includes work-in-progress assets totalling $425,786 (2021: $38,130).

Notes to the Consolidated Financial Statements

Note 8. Intangibles (continued)

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software	Websites	Total
	$	$	$
Cost			
Balance at 1 July 2020	1,394,140	981,884	2,376,024
Acquisitions	403,595	83,602	487,197
Write-offs and disposals	(1,446,409)	(809,820)	(2,256,229)
Balance at 30 June 2021	351,326	255,666	606,992
Balance at 1 July 2021	351,326	255,666	606,992
Acquisitions	1,759,733	-	1,759,733
Write-offs and disposals	(810,973)	(38,128)	(849,101)
Balance at 30 June 2022	**1,300,086**	**217,538**	**1,517,624**
Amortisation			
Balance at 1 July 2020	619,656	617,166	1,236,822
Amortisation charge	249,974	174,634	424,608
Write-offs and disposals	(777,838)	(689,744)	(1,467,582)
Balance at 30 June 2021	91,792	102,056	193,848
Balance at 1 July 2021	91,792	102,056	193,848
Depreciation/amortisation	118,713	51,692	170,405
Write-offs and disposals	-	-	-
Balance at 30 June 2022	**210,505**	**153,748**	**364,253**
Carrying amounts at 30 June 2021	259,534	153,610	413,144
Carrying amounts at 30 June 2022	**1,089,581**	**63,790**	**1,153,371**

Note 9. Right-of-use assets

	2022	2021
Buildings	**$**	$
Opening balance at 1 July	**3,821,719**	5,167,396
Depreciation charge	**(1,262,366)**	(1,345,677)
Closing balance at 30 June	**2,559,353**	**3,821,719**

Note 10. Trade and other payables

	2022	2021
	$	$
Trade payables	**775,186**	1,005,435
Other payables and accruals	**1,089,671**	1,150,189
Special contribution for member research (note 10a)	**87,767**	141,861
	1,952,624	**2,297,485**

Notes to the Consolidated Financial Statements

Note 10. Trade and other payables (continued)

Note 10(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 2022 totalled $138,974 (2021: $159,083).

Note 11. Contract liabilities

	2022	2021
	$	$
Subscriptions received in advance	**9,465,836**	9,318,946
Sponsorships billed in advance	**736,636**	1,331,699
Other fees billed in advance	**2,110,370**	3,398,290
	12,312,842	**14,048,935**

Note 12. Employee benefits

	2022	2021
	$	$
Current		
Annual leave provision	**821,806**	694,590
Long service leave provision	**300,706**	265,967
Bonuses accrued	**1,589,980**	1,400,000
	2,712,492	**2,360,557**
Non-current		
Long service leave provision	**305,134**	**201,877**

Note 13. Provisions

	2022	2021
	$	$
Make-good provision under leases	**281,258**	246,247
	281,258	**246,247**
Balance at 1 July 2021	**246,247**	11,237
Charge/utilised for the year	**35,011**	35,010
Balance at 30 June 2022	**281,258**	**246,247**

Note 14. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Group:

	2022	2021
	$	$
Audit of the financial report	**58,400**	54,100
Total auditor remuneration	**58,400**	**54,100**

Notes to the Consolidated Financial Statements

Note 15. Related Party Transactions

(i) Key management personnel disclosures

The Key Management Personnel (KMP) include members of the Group's 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.

	2022	2021
	$	$
Total KMP Compensation	**4,633,019**	4,165,519

(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 16. Notes to the Statement of Cash Flows

	2022	2021
	$	$
Reconciliation of net cash flows from operating activities:		
Surplus for the year	**67,062**	19,755
Less items classified as investing activities:		
Interest and investment income received	**(51,551)**	(132,128)
Add non-cash items:		
Amortisation software and website	**170,405**	500,481
Depreciation and loss on write down of PPE	**2,406,994**	2,241,676
Interest expense on lease liabilities	**163,156**	204,466
	2,756,066	**2,834,250**
Change in receivables	**(24,296)**	(724,622)
Change in prepayments	**33,877**	(697,775)
Change in payables	**(344,861)**	(331,804)
Change in contract liabilities	**(1,736,093)**	3,455,581
Change in provisions	**490,203**	1,336,126
Net cash from operating activities	**1,174,896**	**5,871,756**

Notes to the Consolidated Financial Statements

Note 17. Parent entity information

As at, and throughout, the financial year ended 30 June 2022 the parent entity of the Group was the Property Council of Australia Limited.

	2022	2021
	$	$
Statement of Profit or Loss and Other Comprehensive Income		
Surplus for the year	**82,045**	7,083
Other comprehensive income	**17,085**	23,260
Total comprehensive income for the year	**99,130**	30,343
Statement of Financial Position		
Current assets	**23,069,244**	24,269,719
Total assets	**27,265,115**	30,202,490
Current liabilities	**18,109,917**	19,860,206
Total liabilities	**20,314,020**	23,350,525
Net assets	**6,951,095**	6,851,965
Accumulated funds	**6,951,095**	6,869,050
Reserves	**-**	(17,085)
Total funds	**6,951,095**	**6,851,965**

Note 18. List of subsidiaries

Set out below details the subsidiaries held by the Group:

Name	**Principal place of business**	**Ownership Interest %**	
		2022	**2021**
Lifemark Village Pty Limited	Australia	100	100
Retirement Living Code Administration 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 2022, a total of $nil in management fees were incurred by the subsidiary (2021: $25,000).

Retirement Living Code Administration Pty Limited was established to administer the new Retirement Living Code of Conduct.

Note 19. Contingent asset and contingent liabilities

Nil.

Note 20. Commitments

Nil.

Note 21. Subsequent events

Nil.

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 15 to 28, 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 2022 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures 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:

David Harrison
Director
Dated at Gold Coast, 24 October 2022

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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 2022, 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 2022 and of its performance for the year ended on that date; and
2. complying with Australian Accounting Standards – Simplified Disclosures 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.

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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 2022, 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 – Simplified Disclosures 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.

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- 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.

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Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter

James Winter
Partner – Audit & Assurance

Sydney, 24 October 2022