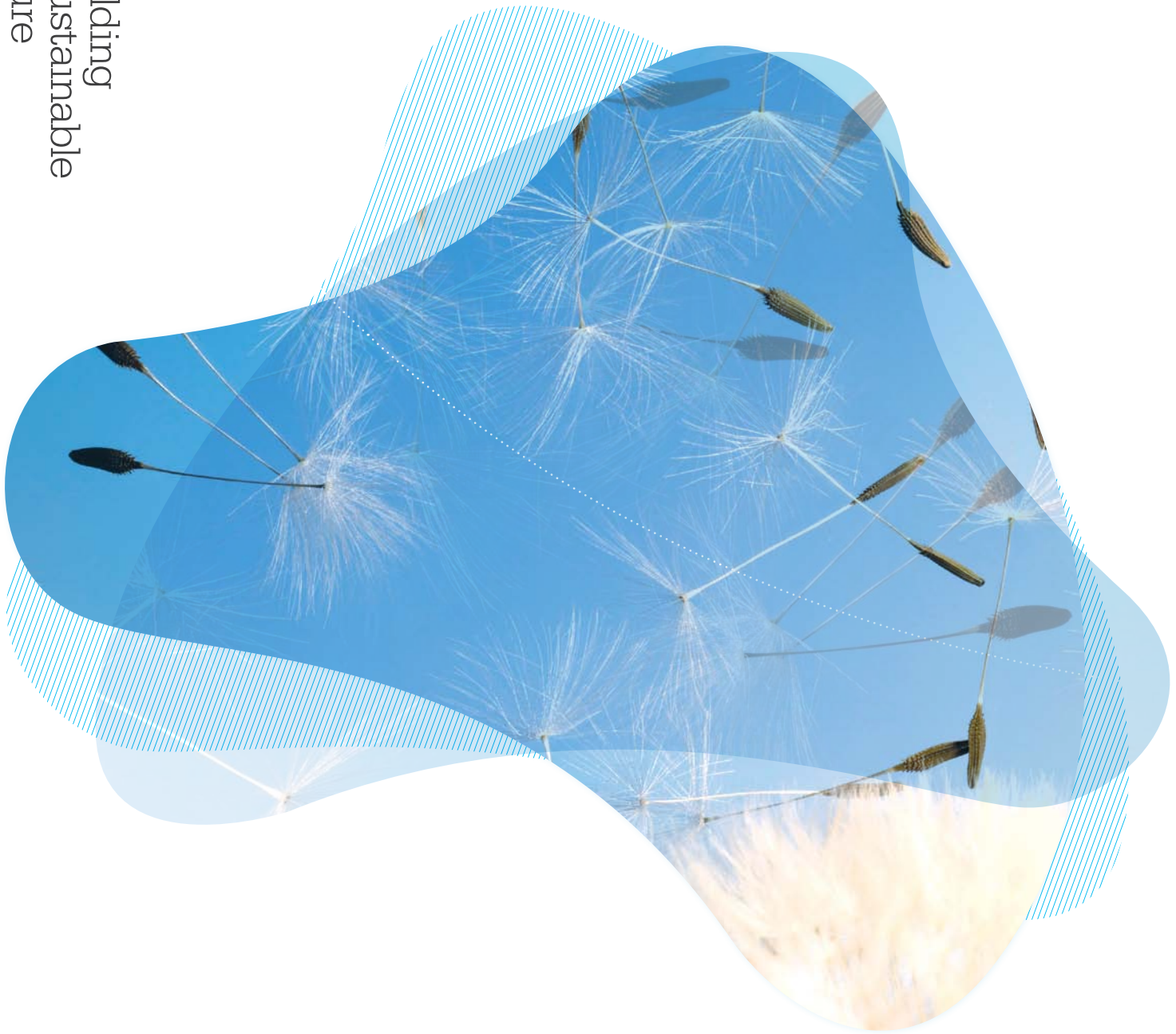

Building
a sustainable
future



Special Purpose Financial Report

For the Year Ended 30 June 2011

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This financial report covers Green Building Council of Australia as an individual entity.

Green Building Council of Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered offices and principal place of business are:

Level 15
179 Elizabeth Street
Sydney NSW 2000
Australia

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 3 to 16.

The financial report was authorised for issue by the directors on 27 October 2011. The Council has the power to amend and reissue the financial report.

DIRECTORS' REPORT

Your Directors present their report on the company for the financial year ended 30 June 2011.

Directors

The name of the Directors in office at any time during or since the end of the year are:

Name	Date of appointment	Date of retirement/ resignation
Anthony John Arnel	16.09.2002	
Romilly Madew	15.11.2006	
Michael Charles Barnes	21.10.2002	
Molly Harriss Olson	15.11.2006	
David Worley	15.11.2006	
Carey Lyon	04.04.2007	
Robert Allen Coombs	24.11.2004	
Daniel Bruno Grollo	21.10.2002	
Andrew Borger	15.11.2006	
Peter John Verwer	04.06.2002	
Siobhan Toohill	14.08.2008	
Johnstone Thwaites	12.02.2008	
Chris Luscombe	26.11.2008	
Rowan Griffin	26.11.2008	
Rod Leaver	17.02.2009	
Sharan Burrow	13.08.2009	26.11.2010
Darren Bilsborough	25.08.2010	11.05.2011
Darren Bilsborough	11.08.2011	
Ralph Edward Horne	29.11.2010	
Frederick Charles Chaney	29.11.2010	

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

Principal Activities

The principal activities of the company during the financial year were:

- Green Star rating tool development
- Green Star certification
- Green Star course delivery
- Green Building educational networking events
- Website and newsletter updates and delivery
- Membership and sponsorship
- Marketing and communication
- Advocacy and research
- International outreach

There were no significant changes in the nature of the company's principal activities during the financial year.

Operating Results

The net surplus of the Council for 2011 amounted to \$643,254 (2010: net surplus \$92,525). The Green Building Council of Australia (GBCA) has recovered strongly from the effects of the global financial crisis experienced by the Council over the past two financial years.

The key financial highlights for 2011 are as follows:

- GBCA assets greater than \$10 million;
- Cash, cash equivalents and other current financial assets total \$8.57 million. This represents a 15% growth in cash, cash equivalents and other current financial assets compared to the same period last year;
- A strong balance sheet and cash position have been achieved, comfortably meeting all three principles in the GBCA's reserves and expenditure policy relating to working capital surplus position, cash position and accumulated surpluses;
- Revenue growth of 20% compared to last financial year;
- Increase in certification activity over the last twelve months demonstrating a stronger adoption of green building practices;
- Continued growth in the membership base;
- Budget expectations for the year exceeded; and
- Strong cost control carried forward from the financial management initiatives implemented by the GBCA during the global financial crisis.

In addition to the highlights above the GBCA obtained a payroll tax exemption in New South Wales and Victoria. The exemption was applied retrospectively and all previously paid taxes were refunded. The amount refunded was \$563,142. This refund was recorded as a positive expense item within the employee benefits expense on the statement of comprehensive income.

A three year comparison of the GBCA's financial performance can be seen below:

	2009	2010	2011
Revenue	8,203,435	7,902,525	9,519,117
Expenditure	(8,842,305)	(7,810,000)	(8,875,863)
Surplus/(Deficit)	(638,870)	92,525	643,254
Total Assets	7,926,599	9,125,066	10,211,951

Dividends Paid or Recommended

The GBCA's Constitution prohibits the distribution of dividends.

Review of Operations

The GBCA released its strategic vision in October 2010, which is to 'rate, educate, advocate'. The GBCA's vision is for Australia's buildings, communities and cities to be sustainable, affordable and liveable places. To achieve this vision, the GBCA has outlined four strategic pathways:

Green Star

Green Star is:

- A nationally and internationally-recognised rating tool for assessing buildings, communities and precincts;
- A single, straightforward rating tool with an integrated process;
- A tool which can assess existing buildings; and
- An independently-assured, robust and transparent certification process.

Education

The GBCA is:

- The leading provider of green building education for the building and property industries in Australia; and
- Upskilling the industry and ensuring qualified Green Star Accredited Professionals have a deep understanding of the latest green buildings trends and innovations.

Advocacy

- All levels of governments use Green Star for building projects, leases and policies;
- All new Australian public schools, public housing and hospitals achieve Green Star ratings;

- GBCA is a key stakeholder in government processes and consultations, regardless of the persuasion of government in power;
- A comprehensive policy framework encourages green buildings, specifically Green Star; and
- The GBCA's five priorities have been adopted by government to drive Australia's green building practices from voluntary to mainstream. These priorities are:
 - Priority 1: Provide visionary government leadership;
 - Priority 2: Retrofit and improve existing buildings;
 - Priority 3: Green education and healthcare facilities;
 - Priority 4: Move beyond buildings to communities and cities; and
 - Priority 5: Embed green skills across all industry training.

International

- The GBCA is internationally recognised as a leader in green buildings and communities, especially in the Asia Pacific;
- Green Star operates in international markets through licensing agreements; and
- The GBCA supports development and growth of Green Building Councils (GBC's) in the Asia Pacific and is an influential negotiator in the sectoral agreement for buildings.

250 Certifications and Beyond

From a zero base in 2003, by the end of June 2011 we had 340 Green Star certified buildings around Australia. A further 409 projects were registered and 90 being processed. Dozens of educational, industrial, retail and residential buildings complement the large array of commercial office space seeking Green Star certification.

Green Star

In June 2011, the GBCA launched Green Star Revolution, which aims to make Green Star simpler, faster, more consistent and more cost-effective. Green Star Revolution is a blueprint to simplify and streamline Green Star certification, ensure greater consistency, transparency and rigour and deliver the next generation of Green Star rating tools.

Four innovative new rating tools are currently under development:

- **Green Star – Public Building** able to rate everything from law courts to libraries;
- **Green Star – Custom** for any project outside the scope of existing Green Star rating tools;
- **Green Star – Communities** which will support best practice planning, design and construction of Australia's precincts, communities and cities; and
- **Green Star – Performance**, which will assess the operational performance of existing buildings and address the 98 per cent of Australia's building stock that is not brand new.

Green Star – Communities

Green Star – Communities continues to build momentum as a project of national significance. In the last year, the GBCA has secured sponsorship from a wide range of public and private organisations, including all three tiers of government and every state government land organisation in the country. By the end of the financial year, the tool's Technical Working Group had delivered 45 draft credits, which were under review.

Green Building Agenda

We launched our Green Building Agenda during the federal election campaign, outlining the five priorities which we believe will place Australia on a clear, long-term pathway to sustainability. These five green building priorities are:

1. Provide visionary government leadership;
2. Retrofit and improve existing buildings;
3. Green education and healthcare facilities;
4. Move beyond buildings to communities and cities; and
5. Embed green skills across all industry training.

The GBCA maintained a strong voice during the election campaign, and gained a number of policy commitments from the Federal Government, including the 'Tax Breaks for Green Buildings' scheme. Green depreciation has long been on the GBCA's agenda, and this new scheme, which will commence in 2012, will allow businesses that invest in energy efficiency measures for their existing buildings to apply for a one-off 50 per cent tax deduction.

The efforts of our advocacy team are reaping rewards, with the updated version of our *Green Guide* finding that all levels of government now have programs and policies to support sustainable building. Most jurisdictions have developed well-defined policies that guide whole-of-government strategies to encourage sustainable building, covering efficient use of energy, water and materials.

Green Schools

The GBCA's advocacy team worked closely with both state and federal politicians to ensure the Australian Government's stimulus spending on schools delivered a green education revolution. As a result, the Green Star Education tool now trails only the Office suite of tools in terms of registered projects, with more than 210 projects either certified, registered or being processed. Many state governments are now mandating Green Star for all new school developments, with others referencing Green Star in determining their standards.

Our green schools campaign is now gathering pace. As each new Green Star school is designed and built, we have been collating the evidence that supports the shift to green. In October 2010 we released a policy paper to education ministers and policy makers which outlined why green schools enhance student learning and teacher wellbeing, reduce operational costs and, ultimately, increase quality and competitiveness.

Local Government Task Group

The GBCA's Local Government Task Group (LGTG) was launched in early 2010 to engage with local councils on green building issues, identify opportunities and barriers, and provide guidance on the use of Green Star. The LGTG is chaired by Wayne Wescott, sustainability consultant and former Chief Executive Officer of the International Council for Local Environmental Initiatives (ICLEI) Oceania Secretariat. We now have 32 members from local government organisations involved.

International

As an active member of the World Green Building Council (WorldGBC), the GBCA contributes to developments in green building policy and practice at the international level. The GBCA's Chair, Tony Arnel, is also WorldGBC Chair. The GBCA's Chief Executive, Romilly Madew, chairs the WorldGBC's Rating Tools Committee and sits on the WorldGBC's International Policy Task Force.

During the financial year, we worked closely with the WorldGBC on a range of issues and activities, most notably World Green Building Week, which was celebrated in September 2010 with a range of activities hosted by both the GBCA and member companies.

The GBCA continued to strengthen its relationships with kindred GBC's, particularly in the Asia Pacific region. We co-chair the Asia Pacific Network with the SingaporeGBC to drive regional leadership throughout the Asia Pacific. In September 2010, we hosted a delegation from the China GBC, who visited Australia to learn about Australia's leading green buildings, communities and technologies. Since then, we have helped the China GBC establish an international corporate membership scheme to give them an additional revenue stream and connect GBCA member companies with opportunities in China. We are also working with Austrade to identify green building opportunities for our members in Asia.

Education

One of the GBCA's priorities is to ensure our industry has the 'green collar' skills to ensure we fully capitalise on the shift to a low-carbon economy. Since we began providing Green Star training in 2004, we've trained more than 21,000 people on how to apply Green Star, and sustainability principles, to their building projects. During the financial year, we trained approximately 500 people in master classes and online seminars across the breadth of the country.

On 1 July 2011, the GBCA launched the Continuing Professional Development (CPD) program. 4250 people have already signed up for the program, which supports industry practitioners to maintain their knowledge of Green Star and stay in touch with latest trends and technologies in green building.

Events

The GBCA hosted more than 40 events around the country during the financial year, providing thought leadership on green building practices and a forum for the industry's green leaders to connect. In February 2011, we co-hosted with the Property Council of Australia (PCA) Green Cities 2011 in Melbourne. More than 1,000 people attended the event, which was heralded as our best yet. The GBCA was also co-organisers of the Built Environment Meets Parliament (BEMP) in June, an annual conversation between parliamentarians and industry leaders that showcases the relationship between Australian communities and their built environment.

Communications

The GBCA continues to support the industry by developing and distributing the most up-to-date information on green building in Australia. Our website is visited by more than 35,000 unique visitors each month. Our e-newsletter, Green Building Voice, is distributed to more than 17,500 readers each month, and provides updates on our events and activities, our members' environmental achievements and national and international green building news.

The GBCA's media profile continues to grow – we average 150 media mentions per month for Green Star and the GBCA, with Chief Executive Romilly Madew, Chairman Tony Arnel and other members of the team regularly called upon for TV, radio and print interviews.

Membership

Growing the membership and attracting additional sponsorship income has been a focus area in the last year. As of 30 June 2011, GBCA had 928 active members and had a membership renewal rate of 89% in 2011. At 30 June 2010 the GBCA had 871 active members.

Measuring Success

The GBCA measures performance through the continual monitoring of objectives and tasks set out in the GBCA's strategic plan. Progress on how we are tracking against these objectives and tasks is submitted quarterly to the GBCA Board Management Committee and reported to the Board. These objectives and tasks have linked KPIs. The financial performance of the company is monitored against budgets and reported on monthly.

Audit and Risk Governance

The GBCA's Audit Committee comprises 2 board members and 1 independent member. The Audit Committee meets on a quarterly basis. The Audit Committee focuses on financial governance, risk management and audit oversight.

After an expression of interest and interview process BDO have been appointed as the GBCA's internal auditor for the next three years. The internal audit program will further strengthen the GBCA's corporate governance structure and assist in driving continual process improvement. BDO will conduct quarterly audits as specified in the three year internal audit plan endorsed by the Audit Committee and report back to the Audit Committee on their findings and recommendations.

Staffing

At 30 June 2011 GBCA employed 54 staff. This number includes both fulltime and part time staff. A three year comparison of staff numbers can be seen below:

	2009	2010	2011
Staff Numbers	43	46	54

After Balance Date Events

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

Future Developments

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

Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Member's Guarantee

Every member of the company undertakes to contribute to the property of the company in the event of the company being wound up whilst the member is a member, or within one year after the member ceases to be a member, for the debts and liabilities of the company (contracted before the member ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required but not exceeding two dollars (\$2) per member.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

Information on Current Directors

Anthony John Arnel, Chair

Tony Arnel is the Victorian Building Commissioner, Plumbing Industry Commissioner and Chairman of the World Green Building Council. Tony holds degrees in architecture and town planning. He is a Life Fellow of the Australian Institute of Architects, a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Public Administration and a Member of the Australian Planning Institute

Romilly Madew, Director

Romilly Madew is the Chief Executive of the GBCA. Romilly chairs a number of influential task groups and steering committees on the built environment, including the International Rating Tools Committee for the WorldGBC's and Cities Taskgroup for the Australian Sustainable Built Environment Council (ASBEC). In 2009, Romilly was named national winner of the Telstra Business Women's Awards 2009 (Community and Government).

Michael Charles Barnes, Director

Michael Barnes is the Chief Executive Officer of ISIS Group Holdings Pty Limited and a director of each of ISIS' subsidiary companies. Michael holds a degree in civil engineering.

Molly Harriss-Olson, Director

Ms Olson is a Director of Eco Futures, an Australian-based international policy firm working on building sustainable strategies with business, government and civic leaders; and is an internationally recognised leader on sustainability. Ms Olson is the Founder and Convenor of the National Business Leaders Forum on Sustainable Development and co-founder of EcoFutures and Earthmark. She serves on the Boards of the Fairtrade Labelling Organisation International (FLO), the Premier's Climate Council of Queensland, and the AMP Sustainable Investments Alpha Advisory Board.

David Worley, Director

David Worley is the Divisional Chief Executive of Crane Group (a member of the Fletcher Building Group). Crane Group is Australasia's leading manufacturer and distributor of plastic pipeline systems with a major plumbing distribution network in Australia and New Zealand and a national electrical distribution network in New Zealand. Crane is also a market leading manufacturer of copper tube and distributor of non-ferrous metal products. Crane Group business units include Iplex, Tradelink, Crane Copper Tube and Austral Wright Metals in Australia and Iplex, Mico Plumbing, Corys, Mastertrade and Mico Metals in New Zealand with revenues of over \$2 billion and 4,000 employees.

Carey Lyon, Director

Carey Lyon served as National President of the Australian Institute of Architects in 2006/2007, the peak member body for Australian architects. He is one of the founding Directors of the well known Australian design practice Lyons, and is an Adjunct Professor with the School of Architecture and Design at RMIT University in Melbourne. His practice's work was recognised in the year 2002 with the Victorian Architecture Medal and in 2001 by representing Australia at the Venice Architecture Biennale.

Robert Allen Coombs, Director

Robert Coombs is President and Chief Executive Officer of the Asia Pacific division of Interface Inc., a manufacturer of commercial carpets. With a background in marketing and product management, Robert first joined Interface in the UK in 1988 and later became Chief Executive of the Company's European business, returning to Australia in 2002 to his current position. Interface Inc. is a long term proponent of sustainable business development and has a vision of becoming fully sustainable and restorative by 2020.

Daniel Bruno Grollo, Director

Daniel Grollo is Chief Executive Officer of Grocon Pty Ltd, Australia's largest privately-owned construction company. Daniel became a non-executive director on the Bluescope Steel Board as of October 2006 and until recently, was on the board of the Victorian division and the National President of the Property Council of Australia.

Andrew Borger, Director

Andrew Borger, Leighton Properties' Executive Director and State Manager, Queensland, is a crucial driver of a vast range of environmentally sustainable focused projects. Examples of these include:

- Green Square North Tower - 6 Star Design + 6 Star As Built.
- Green Square South Tower - 5 Star Design + 5 Star As Built .
- HQ – 6 Star Design.
- 400 George Street - 5 Star Design

Peter John Verwer, At-Large Director

Peter Verwer is Chief Executive of the Property Council of Australia, which is the nation's leading advocate for the \$600 billion investment property industry. As well as pursuing its core business of advocacy and public affairs, the Property Council operates learning, research, publishing and networking businesses. Peter's current political priorities are tax reform, REIT modernisation, enhancing financial liquidity and sustainability. Peter also chairs Livable Housing Australia, the National Counter Terrorism Mass Gatherings Business Advisory Group and the Construction Forecasting Council.

Siobhan Toohill, Director

Siobhan Toohill is General Manager, Corporate Responsibility & Sustainability (CR&S) for Stockland, one of Australia's largest diversified property groups. Stockland develops, owns and manages commercial, retirement living and residential property across Australia. Siobhan leads the development and implementation of Stockland's CR&S strategy, addressing responsibilities in the marketplace; workplace; community; and environment including climate change action. Siobhan supports Stockland's CR&S Board Committee and leads the cross-organisation sustainability team. Siobhan initiated Stockland's sustainability reporting program in 2006. Siobhan is a director of the Australian Building Codes Board. Siobhan is also a member of the federal government's Built Environment Industry Innovation Council and the Property Council of Australia's National Sustainability Roundtable.

Johnstone Thwaites, At-Large Director

John Thwaites is a Professorial Fellow, Monash University, and Chair of the Monash Sustainability Institute and ClimateWorks Australia. He also chairs The Climate Group in Australia and the Australian Centre for the Moving Image. He is a consultant to Maddocks Solicitors advising the firm and its clients on climate change, water and sustainability. John Thwaites was Deputy Premier of Victoria, from 1999 until his retirement in 2007. During this period he was Minister for Health, Minister for Planning, Minister for Environment, Minister for Water, Minister for Victorian Communities and Victoria's first Minister for Climate Change.

Chris Luscombe, Director

Chris Luscombe has been with Mirvac for 15 years and is the General Manager of Mirvac Asset Management (MAM). He was previously Director - Engineering & Operations for the Mirvac Group's Investment Division, a position he held for 12 years. He is responsible for the Property Management, Engineering and Operational aspects of approximately 130 commercial, retail, industrial and car park assets currently owned by Mirvac Investments, Funds Management and external clients. These assets represent in excess of \$5bn in value and MAM has some 225 staff throughout Australia.

Rowan Griffin, Director

Rowan Griffin is the Head of Sustainability for the property division at Colonial First State Global Asset Management, the consolidated asset management division of the Commonwealth Bank of Australia. This division has more than \$19 billion in funds under management and includes listed property, unlisted property, asset management and development functions. Rowan has over 25 years of property experience, in fields of project and development management, investment, operations and general management. Rowan is a Director of the Property Industry Foundation and Co-chair of the United Nations Environment Programme – Finance Initiative (UNEP FI) Property Working Group.

Rod Leaver, Director

Rod Leaver was appointed Chief Executive Officer Asia for Lend Lease in April 2011, and is based in Singapore. He joined Lend Lease in January 2008. Prior to his current role Rod was Chief Executive Officer Australia, and prior to this Chief Executive Officer of Asia Pacific and Global Head of Lend Lease's investment management business, where he also had responsibility for the UK infrastructure development business and the US based public partnership's business. Rod has over 30 years' experience in the property industry and has worked extensively throughout Australia and Asia. He has previously held roles as Executive Chairman and founder of the listed Ronin Property Group, managing total funds of A\$2.4 billion; co-founded and worked as Chief Executive Officer of the listed property investment company, James Fielding Group; and was also a co-founder and Executive Director of Paladin Australia Limited, managing total funds of A\$2.3 billion. Rod is Chair of the Australian National Business Leader's Forum on Sustainable Development. He was previously a member of the Australian Government's Business Roundtable on Climate Change and a National Director of the Property Council of Australia; and their NSW President for three years. He has also held positions on the New South Wales Government's Heritage Council and their Historic Houses Trust Foundation; and also the Property Industry Foundation. Rod is a Fellow of the Australian Property Institute and a Fellow of the Royal Institution of Chartered Surveyors.

Darren Bilsborough, Director

Darren Bilsborough is Managing Director of Cminus consulting and an Adjunct Professor of Sustainability at the Curtin University Sustainability Policy unit. He is the interim CEO for the proposed CRC "Designing Better Cities and Regional Centres". Darren has extensive experience as a sustainability advisor and Green Building advocate and was appointed to the South Australian Premier's Round Table on Sustainability chaired by Dr Tim Flannery in late 2003. He chaired the Sustainable Settlements Sub-Committee of the Round Table and the Building Sub-Committee for the SA Greenhouse Strategy released on 31st May 2007. In 2007 Darren became an "Al Gore Ambassador" by undertaking personalised training from the former vice president of the USA, of an Australianised version of the "An Inconvenient Truth" slideshow presentation. He also currently serves on the Development Assessment Commission (DAC) in South Australia as a specialist member with expertise in the Environment and Sustainability. Prior to his current roles Darren was Director of Sustainability with Parsons Brinckerhoff (PB) for 4 years following a 22 year stint with Lincolne Scott, a building services and environmental engineering consultancy, culminating in his role as Joint Managing Director.

Ralph Edward Horne, Director

Professor Horne has more than 15 years' experience in research and consulting on environmental assessment in the UK and Australia. His research interests extend from lifecycle assessment driving sustainable responses to climate change, to the relations between buildings and their occupants in low-carbon urban transitions. He currently leads three national competitive ARC grants examining aspects of sustainable Australian housing systems.

Frederick Charles Chaney, Director

Fred Chaney joined Cox Howlett and Bailey Woodland, the Perth studio of Cox Architecture, in 2008 after six years as a director of Cox Architects and Planners in Melbourne. Mr Chaney has a long-term interest in sustainable design, and has been actively involved with the GBCA's WA program. His professional activities included occasional lecturing and tutoring at the School of Architecture at the University of Western Australia and membership of WA Planning Commission Committee for the Peel Region.

Meetings of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were:

Name	Number attended	Number eligible to attend
Anthony John Arnel	4	5
Romilly Madew	5	5
Michael Charles Barnes	2	5
Molly Harriss Olson	5	5
David Worley	2	5
Carey Lyon	2	5
Robert Allen Coombs	4	5
Daniel Bruno Grollo	2	5
Andrew Borger	3	5
Peter John Verwer	5	5
Siobhan Toohill	4	5
Johnstone Thwaites	5	5
Chris Luscombe	2	5
Rowan Griffin	3	5
Rod Leaver	4	5
Sharan Burrow	0	2
Darren Bilsborough	2	3
Ralph Edward Horne	2	3
Frederick Charles Chaney	3	3

Insurance of Officers

The company has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company, other than wilful breach of duty in relation to the company. It is a condition of the insurance contract that the amount of the premium is not disclosed.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors.

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

Directors:

Anthony John Arnel
Chairman



Romilly Madew
Chief Executive

Dated: 27 October 2011

AUDITORS' INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of Green Building Council of Australia for the year ended 30 June 2011, 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.

This declaration is in respect of Green Building Council of Australia during the period.

A handwritten signature in black ink, appearing to read 'N R McConnell', is written over a light blue horizontal line.

N R McConnell
Partner
PricewaterhouseCoopers

Sydney
27 October 2011

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Membership income		2,783,308	2,515,591
Education income		1,925,228	1,706,261
Green Star sponsorship income		482,000	376,000
Green Star other income		483,335	408,259
Green Star certification income		2,107,996	1,374,638
Events and conferences income		475,184	573,461
Other sponsorship income		280,812	187,636
Advocacy income		335,065	355,453
Interest income		477,508	281,007
Other income		168,681	124,219
Employee benefits expenses		(4,221,881)	(3,881,340)
Depreciation and amortisation expenses	7	(430,184)	(432,626)
Insurance expenses		(41,066)	(34,675)
Occupancy expenses		(596,903)	(559,247)
Marketing and communication expenses		(346,187)	(292,721)
Events and conferences expenses		(211,467)	(247,467)
Education expenses		(601,323)	(478,503)
Green Star development expenses		(345,737)	(82,588)
Certification expenses		(564,107)	(485,863)
Advocacy expenses		(618,215)	(496,708)
Corporate expenses		<u>(898,793)</u>	<u>(818,262)</u>
Surplus before income tax expense		643,254	92,525
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax expense	15	643,254	92,525
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income /(Loss) attributable to members of Green Building Council of Australia		<u>643,254</u>	<u>92,525</u>

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,146,813	4,254,025
Receivables	4	545,498	361,777
Other financial assets	5	3,421,877	3,214,866
Other assets	6	<u>40,281</u>	<u>99,228</u>
TOTAL CURRENT ASSETS		<u>9,154,469</u>	<u>7,929,896</u>
NON-CURRENT ASSETS			
Other financial assets	5	373,571	347,984
Property, plant and equipment	7	517,598	757,384
Intangible assets	8	<u>166,313</u>	<u>89,802</u>
TOTAL NON-CURRENT ASSETS		<u>1,057,482</u>	<u>1,195,170</u>
TOTAL ASSETS		<u>10,211,951</u>	<u>9,125,066</u>
CURRENT LIABILITIES			
Payables	9	1,068,087	876,584
Unearned Revenue	10	2,430,938	1,935,809
Lease Liabilities	11	182,325	160,189
Provisions	12	<u>260,389</u>	<u>279,870</u>
TOTAL CURRENT LIABILITIES		<u>3,941,739</u>	<u>3,252,452</u>
NON-CURRENT LIABILITIES			
Unearned Revenue	10	3,839,041	3,926,539
Lease Liabilities	11	217,985	401,696
Provisions	12	<u>80,472</u>	<u>54,919</u>
TOTAL NON-CURRENT LIABILITIES		<u>4,137,498</u>	<u>4,383,154</u>
TOTAL LIABILITIES		<u>8,079,237</u>	<u>7,635,606</u>
NET ASSETS		<u>2,132,714</u>	<u>1,489,460</u>
MEMBERS' FUNDS			
Members' guarantee	14	-	-
Accumulated Surplus	15	<u>2,132,714</u>	<u>1,489,460</u>
TOTAL MEMBERS' FUNDS		<u>2,132,714</u>	<u>1,489,460</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Note	Members Guarantee	Accumulated Surplus	Total
		\$	\$	\$
Balance at 1 July 2009		-	1,396,935	1,396,935
Surplus after income tax expense		-	92,525	92,525
Other comprehensive income		-	-	-
Total comprehensive income/(Loss) for the year		-	92,525	92,525
Balance at 30 June 2010		-	1,489,460	1,489,460
Surplus after income tax expense		-	643,254	643,254
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	643,254	643,254
Balance at 30 June 2011	15	-	2,132,714	2,132,714

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers (inclusive of GST)		9,330,588	8,671,313
Operating sponsorship receipts (inclusive of GST)		839,093	620,000
Interest received		477,508	229,934
Payments to suppliers and employees (inclusive of GST)		(9,280,481)	(7,898,122)
Net cash inflow from operating activities	16a	<u>1,366,708</u>	<u>1,623,125</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(94,944)	(56,696)
Payments for intangibles		(171,965)	(54,999)
Investment in Term Deposits		<u>(207,011)</u>	<u>(3,214,866)</u>
Net cash (outflow) from investing activities		<u>(473,920)</u>	<u>(3,326,561)</u>
Net increase/(decrease) in cash held		892,788	(1,703,436)
Cash at the beginning of the financial year		4,254,025	5,957,461
Cash at the end of the financial year		<u>5,146,813</u>	<u>4,254,025</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

Historical Cost Convention

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Financial Statement Presentation

The company has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. Comparative information has been represented so that it is also in conformity with the revised standard.

b) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Membership revenue

Membership levies are charged once a member registers with the Council and is valid from the date of acceptance of the membership application until the end of the financial year. Membership levies are then invoiced annually before the beginning of each financial year in which they are due.

(ii) Grant Revenue

Grant revenue is recognised in accordance with the terms and conditions of the individual grants received and when the company obtains control of the amount contributed or the right to receive the amount contributed. Where specific grants are tied to performance milestones, revenue is deferred as unearned income until the relevant milestones have been met. Where grants are not tied to any performance milestones, the revenue is recognised in the period received.

(iii) Sponsorship revenue

Sponsorship revenue is recognised as income in the financial reporting period in which it is received and when the company obtains control of the amount contributed or the right to receive the amount contributed, unless it is tied to a specific period or project in which case it is deferred and recognised in the relevant period as the milestones are achieved.

(iv) Certification revenue

Certification revenue and expenses are recognised in accordance with the stage of completion of the transaction at the reporting date, unless the outcome of the services cannot be reliably estimated. Where the outcome of a service cannot be reliably estimated, costs are recognised as an expense when incurred. Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

(v) Continuing Professional Development (CPD) revenue

CPD levies are charged once an individual or company registers in the council's CPD program. The individual or company is enrolled in the program for a period of 24 months, from the date of joining until their 24 month anniversary. CPD revenue is recognised evenly over the membership period. Due to CPD membership periods crossing financial reporting periods revenue is allocated on a pro rata basis with any balance being recorded as unearned income.

(vi) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

c) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

d) Cash and cash equivalents

For purposes of the cash flow statement, cash includes cash on hand, deposits at call with financial institutions and other highly liquid investments with original maturities of three months or less which are readily convertible to cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

e) Employee benefits**(i) Wages and salaries and annual leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(iii) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

g) Property, Plant and Equipment

Each class of property, plant and equipment is measured on the cost basis less accumulated depreciation. All assets are depreciated over the following useful lives:

- Computer Equipment - 3 years straight line basis
- Computer Software - 2.5 years straight line basis
- Furniture & Fixtures - 10 years straight line basis
- Office Equipment - 5 years straight line basis
- Website Development - 2.5 years straight line basis
- Leasehold Improvements - length of lease straight line basis.

h) Intangibles

Software and website development costs are capitalised at cost of acquisition only when they are expected to deliver future economic benefits and these benefits can be measured reliably. The software and website development costs have a finite life and are amortised over their useful lives which are expected to be 2.5 years. Amortisation is on a straight line basis.

i) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received are capitalised by recording a fixed asset under leasehold improvements and a corresponding lease liability, both of which are amortised over the length of the lease term. Make good provisions for office leases are also capitalised and amortised over the term of the lease.

j) Taxation

The company has been granted an income tax exempt status by the Australian Taxation Office, effective from the company's incorporation. No income tax effect will be accounted for in future years as long as the tax exempt status of the company is maintained.

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

l) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

m) Rating Tool Development Expenses

The Green Building Council has developed rating tools which are expected to generate enough revenue in the future to meet operating costs. The rating tools have not been developed to generate future surplus economic benefits.

n) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

o) Provisions

Provisions for legal claims and make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

p) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The company's assessment of the impact of these new standards and interpretations is that there is not expected to be any material effect on the company in future reporting periods.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Certification Revenue

As the Certification process for a project can occur over a number of years the following critical accounting estimates are made regarding the recognition of Certification revenue. For projects that registered before 1 July 2010 the following critical accounting estimate applies. Upon registration, 30% of the certification fee is recognised as revenue (net of fixed costs). Once the project applying for certification has submitted its round 1 submission and the round 1 assessment undertaken by independent assessors has taken place a further 45% is recognised as revenue (net of a further 60% of the fixed costs). The remaining revenue is recognised upon completion of the certification. For projects that registered on or after 1 July 2010 the following critical accounting estimate applies. Upon registration, 60% of the certification fee is recognised as revenue (net of fixed costs). Once the project applying for certification has submitted its round 1 submission and the round 1 assessment undertaken by independent assessors has taken place a further 20% is recognised as revenue (net of a further 60% of the fixed costs). The remaining revenue is recognised upon completion of the certification.

NOTE 3: CASH AND CASH EQUIVALENTS

	2011 \$	2010 \$
Cash at bank	5,145,737	4,252,933
Cash on hand	<u>1,076</u>	<u>1,092</u>
	<u>5,146,813</u>	<u>4,254,025</u>

Included in above cash at bank is an amount of \$3,183,695 (2010: \$3,661,421) relating to Interest Bearing Term Deposits. The deposits are interest bearing accounts with rates between 5.69% and 6.10% p.a. (2010: 5.30% and 5.35%). The deposits mature within three months of the balance sheet date.

NOTE 4: RECEIVABLES

CURRENT	2011 \$	2010 \$
Trade receivables	327,747	309,339
Less: Provision for doubtful debts	<u>(6,002)</u>	<u>(1,815)</u>
	321,745	307,524
Accrued income	132,636	-
Interest receivable	78,644	51,074
Other receivables	<u>12,473</u>	<u>3,179</u>
	<u>545,498</u>	<u>361,777</u>

NOTE 5: OTHER FINANCIAL ASSETS

CURRENT	2011 \$	2010 \$
Term Deposits	<u>3,421,877</u>	<u>3,214,866</u>
	<u>3,421,877</u>	<u>3,214,866</u>

The deposits are interest bearing accounts with rates between 6.06% and 6.20%. (2010: 6.00% and 6.10%). The deposits have an average maturity of 212 days.

NON-CURRENT	2011 \$	2010 \$
Rental & Credit Card Bonds	372,791	347,104
Other Bonds	<u>780</u>	<u>880</u>
	<u>373,571</u>	<u>347,984</u>

NOTE 6: OTHER ASSETS

CURRENT	2011 \$	2010 \$
Prepayments	<u>40,281</u>	<u>99,228</u>
	<u>40,281</u>	<u>99,228</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2011 \$	2010 \$
Computer equipment at cost	334,173	285,413
Less accumulated depreciation	<u>(284,289)</u>	<u>(242,156)</u>
	<u>49,884</u>	<u>43,257</u>
Furniture and fixtures at cost	136,755	127,135
Less accumulated depreciation	<u>(52,762)</u>	<u>(39,510)</u>
	<u>83,993</u>	<u>87,625</u>
Office equipment at cost	85,781	85,391
Less accumulated depreciation	<u>(53,297)</u>	<u>(36,160)</u>
	<u>32,484</u>	<u>49,231</u>
Leasehold Improvements	1,320,569	1,284,395
Less accumulated depreciation	<u>(969,332)</u>	<u>(707,124)</u>
	<u>351,237</u>	<u>577,271</u>
Total property, plant and equipment	<u>517,598</u>	<u>757,384</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT CONTINUED

Movement in Carrying Amounts

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

	Computer Equipment	Furniture & Office Fixtures	Office Equipment	Leasehold Improvement	Software	Website	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	43,257	87,625	49,231	577,271	3,334	86,468	847,186
Additions	48,760	9,620	390	36,174	93,840	78,125	266,909
Depreciation/ amortisation expense	(42,133)	(13,252)	(17,137)	(262,208)	(24,064)	(71,390)	(430,184)
Disposals							
Carrying amount at the end of the year	49,884	83,993	32,484	351,237	73,110	93,203	683,911

NOTE 8: INTANGIBLES

	2011 \$	2010 \$
Software	119,232	25,391
Less accumulated amortisation	<u>(46,122)</u>	<u>(22,057)</u>
	<u>73,110</u>	<u>3,334</u>
Website development at cost	318,424	240,300
Less accumulated amortisation	<u>(225,221)</u>	<u>(153,832)</u>
	<u>93,203</u>	<u>86,468</u>
Total Intangibles	<u>166,313</u>	<u>89,802</u>

NOTE 9: PAYABLES

CURRENT	2011 \$	2010 \$
Trade creditors	320,683	204,981
Sundry creditors and accrued expenses	<u>747,404</u>	<u>671,603</u>
	<u>1,068,087</u>	<u>876,584</u>

NOTE 10: UNEARNED INCOME

CURRENT	2011 \$	2010 \$
Unearned membership income	1,328,688	1,442,724
Unearned course income	56,363	79,500
Unearned events income	13,155	3,941
Unearned events sponsorship income	68,333	82,000
Unearned certification income	301,539	196,994
Unearned CPD income	364,360	105,650
Unearned grant income	50,000	25,000
Unearned tools development income	63,500	-
Unearned other income	<u>185,000</u>	<u>-</u>
	<u>2,430,938</u>	<u>1,935,809</u>

NON-CURRENT	2011 \$	2010 \$
Unearned CPD income	33,499	105,650
Unearned certification income	<u>3,805,542</u>	<u>3,820,889</u>
	<u>3,839,041</u>	<u>3,926,539</u>

NOTE 11: LEASE LIABILITIES

	2011 \$	2010 \$
CURRENT		
Lease Incentive	129,443	135,605
Rent Accrual	38,382	24,584
Lease Make Good Costs	14,500	-
	<u>182,325</u>	<u>160,189</u>
NON CURRENT		
	2011 \$	2010 \$
Lease Incentive	41,093	170,536
Rent Accrual	12,892	52,660
Lease Make Good Costs	164,000	178,500
	<u>217,985</u>	<u>401,696</u>

NOTE 12: PROVISIONS

	2011 \$	2010 \$
CURRENT		
Annual Leave Entitlements	<u>260,389</u>	<u>279,870</u>
NON CURRENT		
Long Service Leave Entitlements	<u>80,472</u>	<u>54,919</u>

NOTE 13: CAPITAL AND LEASING COMMITMENTS**Operating Lease Commitments****Sydney Office Lease**

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4.25% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years. The lease allows for subletting of all lease areas.

Melbourne Office Lease

The property lease is a non-cancellable lease with a two-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. No option exists to renew the lease at the end of the two-year term.

Canberra Office Lease

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by CPI plus 1.5% per annum. No option exists to renew the lease at the end of the five-year term.

Brisbane Office Lease

The property lease is a non-cancellable lease with a two and a half year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 5% per annum. No option exists to renew the lease at the end of the two and a half year term.

NOTE 14: MEMBERS' GUARANTEE

Every member of the company undertakes to contribute to the property of the company in the event of the company being wound up while the member is a member, or within one year after the member ceases to be a member, for the debts and liabilities of the company (contracted before the member ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required but not exceeding two dollars (\$2) per member.

NOTE 15: ACCUMULATED SURPLUS

	2011 \$	2010 \$
Accumulated surplus at the beginning of the financial year	1,489,460	1,396,935
Surplus attributable to members of the company for the year	<u>643,254</u>	<u>92,525</u>
Accumulated surplus at the end of the financial year	<u>2,132,714</u>	<u>1,489,460</u>

NOTE 16: RECONCILIATION OF SURPLUS/(DEFICIT) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

(a)	2011 \$	2010 \$
Surplus for the year after income tax	643,254	92,525
Non cash flows in surplus from operations:		
Depreciation	430,184	432,626
Loss on sale of fixed assets	-	3,634
Amortisation of lease incentives	(135,605)	(92,604)
Changes in assets and liabilities		
(Increase) in receivables	(183,721)	(38,471)
Decrease in other assets	33,360	26,867
Increase in payables	165,533	78,796
Increase in unearned income	407,631	946,112
Increase in provisions	6,072	173,640
Net cash inflow from operating activities	1,366,708	1,623,125

(b) The company has no credit stand-by or financing facilities in place.

(c) There were no non-cash financing or investing activities during the year.

NOTE 17: CONTINGENT LIABILITIES

The company had contingent liabilities at 30 June 2011 in respect of:

Guarantees

Unsecured guarantees detailed as follows:

(a) Lease of premises amounting to \$348,791 (2010: \$323,104)

(b) Credit Card borrowings amounting to \$24,000 (2010: \$24,000)

These guarantees may give rise to liabilities in the company if it does not meet its obligations under the terms of lease or credit card facility subject to the guarantee.

No material losses are anticipated in respect of any of the above contingent liabilities.

NOTE 18: REMUNERATION OF AUDITORS

The auditors have not been paid for their services but have received free membership in lieu of payment. The membership fee waived amounted to \$10,500 (2010: \$10,500).

NOTE 19: EVENTS OCCURRING AFTER BALANCE SHEET DATE

There have been no significant events or transactions that have arisen since the end of the financial year, which in the opinion of the directors, would affect significantly the operations of the company, the results of those operations, or the state of affairs of the company.

DIRECTORS' DECLARATION

As stated in Note 1(a) to the financial statements, in the Directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

In the Directors' opinion:

- a) the financial statements and notes set out on pages 18 to 34 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, and other mandatory professional reporting requirements to the extent described in Note 1(a), and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Directors:



Anthony John Arnel
Chairman



Romilly Madew
Chief Executive

Dated: 27 October 2011

INDEPENDENT AUDIT REPORT



Independent auditor's report to the members of Green Building Council of Australia

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Green Building Council of Australia (the company), which comprises the balance sheet as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information attached to the financial report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion, the financial report of Green Building Council of Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of Green Building Council of Australia.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'N R McConnell'.

N R McConnell
Partner

27 October 2011