

Australian Institute of Project Management / **2017 Annual Report**



Australian Institute of
Project Management

Australian Institute of Project Management

ABN: 49 001 443 303

DIRECTORS

The following Board Directors were in office at the date of this report

Leh Simonelli FAIPM CPPD (Chair)
Michael King FAIPM CPPD (Deputy Chair)
Trevor Alex FAIPM CPPD
David Bryant MAIPM CPPD
David McGuire MAIPM CPPD
Nicole Nader MAIPM CPPM
Mark Patch MAIPM CPPD
Michael Young FAIPM CPPD

CEO & COMPANY SECRETARY

Yvonne Butler FAIPM

REGISTERED OFFICE

Level 9, 139 Macquarie Street,
Sydney NSW 2000

AUDITORS

HLB Mann Judd Assurance (NSW) Pty Ltd

LAWYERS

Holman Webb, Lawyers

BANKERS

National Australia Bank
Commonwealth Bank of Australia

Australian Institute of Project Management International Certification Body Pty. Ltd.

ABN: 12 604 007 472

A wholly owned subsidiary of Australian Institute of Project Management

The following Board Directors were in office at the date of this report

Nicole Nader MAIPM, CPPM (Chair)
Michael King MAIPM CPPD

COMPANY SECRETARY

Yvonne Butler FAIPM

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CEO & Chair Report

On behalf of the Board and national AIPM team we are pleased to present to the members of Australian Institute of Project Management (AIPM) our Annual Report for 2016/2017.

As the peak body for project management in Australia, AIPM exists to foster the profession of project management in Australia and to provide current and relevant services and support to our members.

Context

Project management is critical for every organisation’s success and our collective voices are having a tangible impact on project outcomes. More than ever before in our history, C-suite and government leaders are recognising the contribution of projects to the global economy and the pivotal role that project managers play in delivering sustainable country and organisational outcomes. Project management is now being regarded as a key component of general management and pivotal to managing change and innovation across the organisation. We have a once-in-a-generation opportunity to harness the project management profession globally.

The current state of project management in Australia has never been stronger. Whilst the take up and support of project management is

significantly improving, we must also understand not only the areas where we as project managers are doing well, but also where we are becoming vulnerable. This is particularly true with some organisational project infrastructures such as PMOs, where no two PMOs are now the same. We have both challenges and opportunities in our future and breakthrough competencies are required for managing change, not only of our organisations, but also of our profession. Project management is necessary, but no longer sufficient.

Strategy

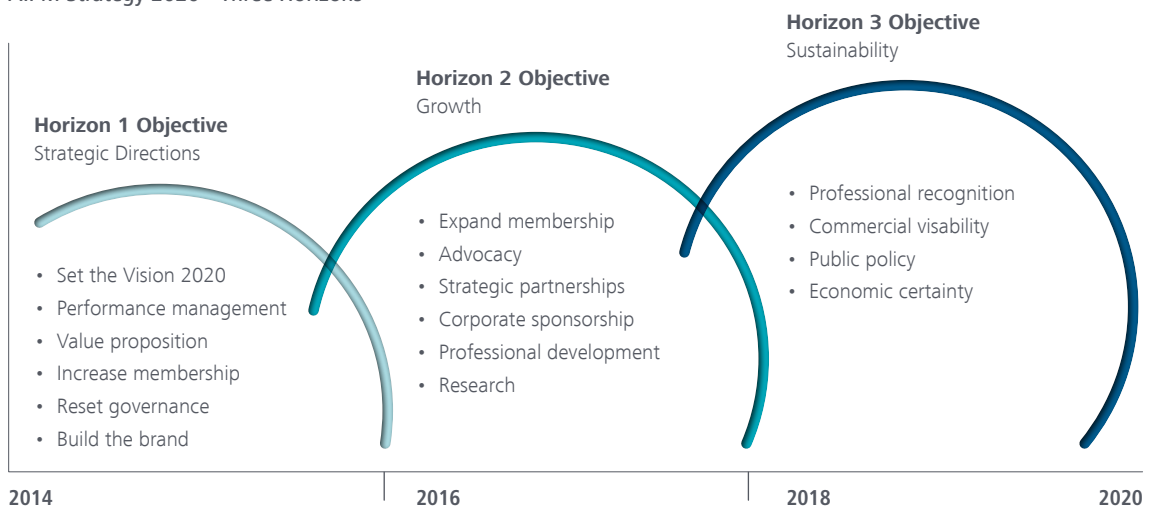
We are half way through the AIPM Strategy 2020. The strategy was planned to be delivered across a “three horizons” approach and we are pleased to report that we are tracking to schedule.

The over-arching goal for AIPM this year has been the recognition of project management. We have actively been working on a number of fronts and the Board approved the proposal for AIPM to embark on a process with the Professional Standards Council to be recognised as a discrete profession in Australia. This is a major undertaking and a significant step for our profession.

We continue to focus on all aspects of the strategy and take a portfolio approach to delivery, determined to raise the bar on all fronts.

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AIPM Strategy 2020 - Three Horizons



Membership

The AIPM community is growing all the time and we are very proud of our members, your contributions and achievements. The level of diversity, skills, abilities and project management capabilities are second to none, and no matter what stage of your professional journey we trust everyone is making the most of all the member offerings and benefits available.

Our member numbers remain consistent and our access to potential members is increasing. With a current constituent base of some 16,000 individuals, drawn together by the discipline and practice of project management, AIPM seeks to represent the estimated 550,000 project managers in Australia.

We have implemented an integrated series of webinars, nationally delivered events, virtual communities of practice and a national mentoring program to ensure our members get the best of all benefits provided, regardless of location. We are adopting a more segmented approach to ensure that, in addition to Chapter-based activities, members get the opportunity to network and share experiences and ideas across industry sectors and demographics nationally.

The year saw all members celebrate AIPM's 40th anniversary with free events in every Chapter. All members were recognised with a stylish new lapel pin to denote their level of membership and certification level, which was very well received.

AIPM is committed to a focus on gender balance, diversity and inclusion. We launched a strategic initiative under the sponsorship of Chair of the Board, Leh Simonelli, which included a working group of 30 members and staff from around the country and a Gender Balance and Inclusion Questionnaire to all members.

The 2016 National Conference in Sydney was undoubtedly one of our best ever. Over 600 delegates were inspired by the leading voices in Australia who reinforced the critical role of project managers in our society. Adjacent to the conference we hosted the hugely successful meeting of the International Project Management Association Council of Delegates, who collaborate to promote the recognition of project management and engage stakeholders around the world in advancing the profession.

OPERATIONS KEEP THE LIGHTS ON, STRATEGY PROVIDES THE LIGHT AT THE END OF THE TUNNEL, BUT PROJECT MANAGEMENT IS THE TRAIN ENGINE THAT MOVES THE ORGANISATION FORWARD

CEO & Chair Report

Corporate and strategic partnerships

Key to achieving AIPM's priorities is the importance of working with industry through true, mutually beneficial partnerships. Our approach is centred on our ability to assist our corporate partners to create sustainable capability that enables permanent and embedded competencies and culture to execute priorities effectively.

Organisations around Australia, in both the public and private sectors, continue to recognise the value that project management brings to the delivery of their outcomes, and we have established bespoke arrangements to help these organisations build sustainable capability through local and international certification, internal competency frameworks and facilitation. We are seeing a trend of more employers paying for their staff to become members and undertake certification, which is extremely encouraging.

Professional advancement

For AIPM the focus on professional advancement remains paramount. Our approach to certification centres on competency-based standards assessed in the workplace. Certified practicing project managers attract a personal premium and deliver superior outcomes. A major achievement this year was the implementation of the Recognition of Prior Learning and Achievement Policy. This has enabled RegPM certified members to build on their professional foundations by transitioning to international certification having undertaken a simple and streamlined competency-based review.

Our work with government and industry is having very positive effects on increasing the requirement for certification by employers and we are seeing many organisations embed this requirement in tenders. We are expanding our offering of practical workshops to enhance our members careers. We are improving the quality, and relevance, of project management courses across the country through our endorsement and accreditation programs. We are refining the processes and consistency of certification assessments across the country and providing members with enhanced mobility and career opportunities.

**PROJECT LEADERSHIP IS KEY.
IF YOUR ACTIONS INSPIRE
OTHERS TO DO MORE, LEARN
MORE, DREAM MORE AND
BECOME MORE, THEN YOU
ARE A LEADER**

Information, innovation and influence

A key focus of this strategic pillar is our work advocating for the importance of project management and the value of project managers. We are gaining significant attention through conference presentations and meetings with leaders in the public and private sectors. AIPM is now being invited to participate in key government initiatives that impact the profession.

Performance

Our strategy is ambitious and we are implementing it systematically. We are taking a portfolio management approach to the business of AIPM and transparently report back to our members as stakeholders on our performance.

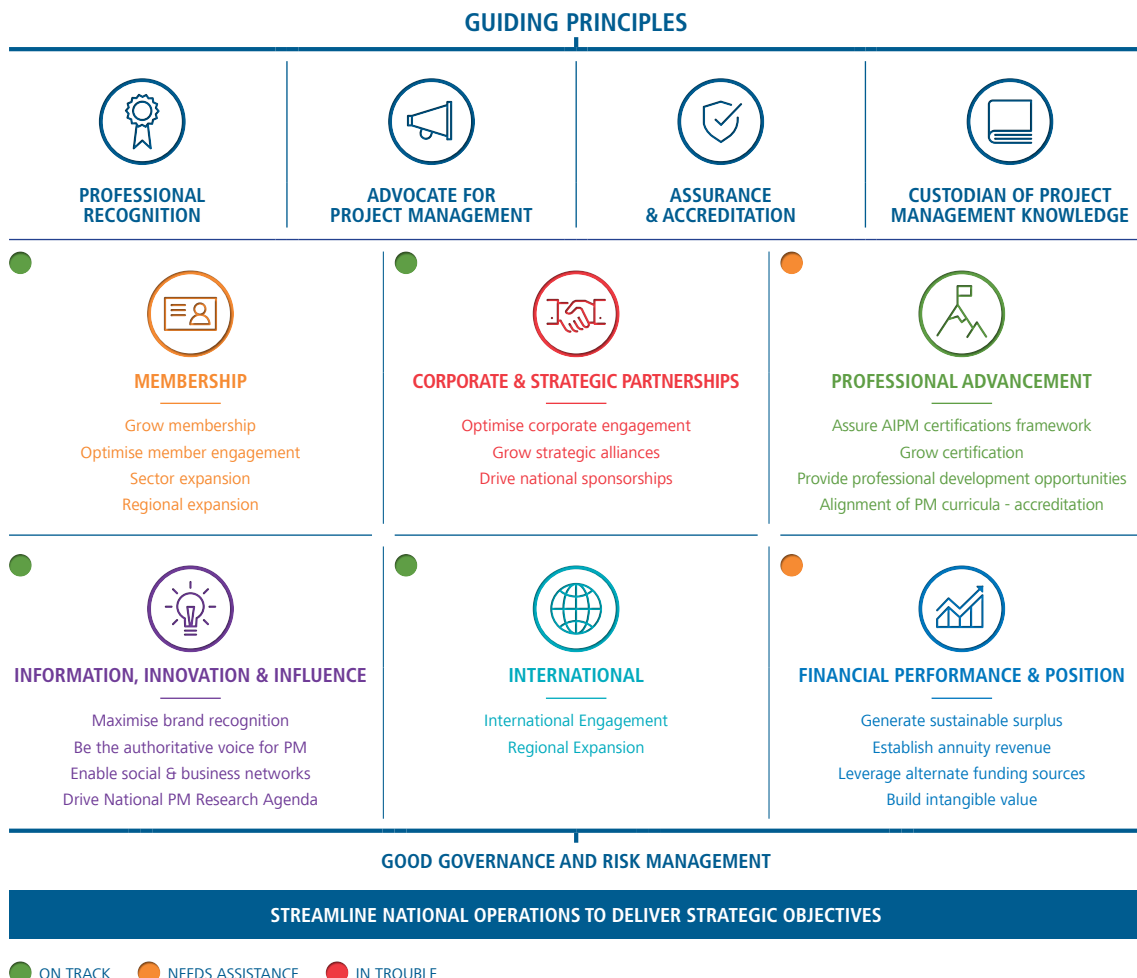
This year we implemented a detailed KPI report provided to the Board and Chapter Councils, which tracks our progress on multiple fronts. The high quality data allows for more informed decision making and effectively highlights issues and trends. From a scorecard perspective, we are doing well.

AIPM is a non-profit organisation, with our fees set to cover the cost of operations. No dividends are paid to members. Whilst our performance has

been strong and we have streamlined operations to be as efficient as possible, this year we are disappointed to report a loss to members. The reason for the loss is largely one of historical accounting practices. Thanks to our members' insistence, we changed auditors this year and the new team at HLB Mann Judd has been vigilant in identifying a number of items that should have been dealt with differently. As a result of these findings, increased controls, capability and scrutiny have been implemented and we do not anticipate any further issues. This is a one-time remediation and we felt it best to make the financial corrections in this financial year. We are grateful for the high quality professional input that resets our financial management approach.

AIPM Strategy Map 2020

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CEO & Chair Report

National Team

We would like to thank and acknowledge the ongoing dedication and contribution of the team across the country. We now have a level of professionalism that has been previously unseen in AIPM. The team works tirelessly to support our members and drive significant change to benefit our profession.

AIPM is on a transformation pathway to not only build upon our legacy but change the profession. We remain firmly grounded in the real-world value we must provide to each of us as members. Our progress remains strong, but there is no room for complacency. We thank everyone for their support and loyalty and look forward with excitement and optimism to another positive year.



Yvonne Butler

FAIPM

AIPM Chief Executive Officer



Leh Simonelli

FAIPM CPPD

Chair AIPM Board of Directors



**OUR WORLD IS A WORLD OF PROJECTS,
AND THERE ARE NO PROJECTS WITHOUT HUMAN
ACTIVITY. PROJECTS CHANGE OUR WORLD;
THEY TRANSFORM OUR VISIONS INTO REALITY
AND CREATE A FUTURE FITTING BOTH FOR
MAN AND THE COMMUNITY.**

Membership

Strategic Objectives

- > Grow membership
- > Optimise member engagement
- > Sector expansion
- > Regional expansion

Membership value and growth remains the strongest focus areas for AIPM and we are pleased to report that positive strides have been made during the financial year. In our AIPM Strategy 2020 we set four key objectives and our achievements and forward focus areas are positive.

Grow Membership

As with many membership organisations, retaining members remains a significant challenge, especially where membership is seen as discretionary. Against a benchmark group of member institutes, AIPM has fared well. After several years where member numbers had fallen, AIPM member numbers have stabilised and we now have a constituent base of over 16,000.

We are pleased with our new member growth rate of near 19% which highlights that our key messages, including “You need to be a Certified Project Manager” and “Organisations should engage only Certified Practising Project Managers”, are resonating. Our efforts to raise our voice are having an impact with government, regulators and, most importantly, organisations who employ project managers.



Membership

Optimise Member Engagement

Engaged members are happier members. AIPM has worked hard to provide greater member value and ensure better levels of engagement. These are some of our major achievements:

- A significant update of our event program. Nearly 7,000 members and prospective members attended the 139 events throughout Australia;
- All members were invited to at least two complimentary events, one celebrating the 40th Anniversary of AIPM held in November 2016 and a National Roadshow event where AIPM Director, Michael Young FAIPM CPPD, delivered his acclaimed presentation on the role project managers can play in a sustainable future. The Roadshow visited every capital city around the country;
- Our Member Advantage program was relaunched with many new member-only offers and new capability to help you identify offers wherever you are currently located;
- Tailored insurance offering; and
- The introduction of a new PM webinar series. This will be expanded as a result of the high participation rates during the very successful pilot.

Sector Expansion

Whilst recognising our history in construction-based industries, AIPM continues to advocate that project management is an enabler for successful outcomes across all industry sectors. As such, we have a renewed suite of local and national events focussing on the professional skills and topics relevant, and attractive, to individuals operating in diverse sectors.

Further sector-based events and Communities of Practice are being planned for key industries including:

- Financial services;
- Information, Media and Telecommunications;
- Federal, State and Local Government; and
- Utilities - Electricity, Gas, Water.

Top six industry sectors:



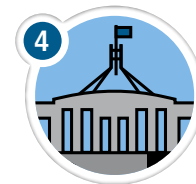
CONSTRUCTION



PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES



INFORMATION MEDIA AND TELECOMMUNICATIONS



FEDERAL GOVERNMENT



ELECTRICITY, GAS, WATER, AND WASTE SERVICES



STATE GOVERNMENT

Regional Expansion

Due to the nature of their work, many AIPM members work away from capital cities, in remote areas and overseas. AIPM is constantly reviewing how we can provide better engagement and professional development opportunities to these regional and overseas members.

As an example, our Queensland Chapter has successfully trialled the webcasting of our events to regional centres and we are also committed to expanding our online capacity and capability, namely through webinars and even virtual mentoring.

Satisfaction Survey

We again had a very good response to our 2017 Member Satisfaction Survey with over 12% of members taking the opportunity to provide us with invaluable feedback. We are very grateful for the input from our members, with respondents comprising our current geographic and demographic spread, allowing a representative response to be gathered.

Average satisfaction rating overall remained at 7.5, whilst our Net Promoter Score (NPS) increased to 6.4 in 2017. Five Chapters experienced an increase in their NPS, while three Chapters experienced a decline in their NPS.

Major shift in NPS scores for our core offerings which have been pleasing, include:

- Advocacy NPS 22 [from 14 in 2016] – belonging to a peak body; our message is getting through;
- Events NPS 19 [from 12 in 2016] – positive response following changes in the event portfolio; and
- RegPM NPS 25 [from 0 in 2016] – positive response following implementation of the new certification model from 1 April 2017.

Members are looking for their representative association to provide:



OPPORTUNITY

- To be a part of the peak body for Project Management
- Project Management to be recognised as a profession by employers, regulators, and government



ACCESS

- Certification and professional development
- Knowledge and resources

Board Sponsor

David McGuire

MAIPM CPPD

Corporate and Strategic Partnerships

Strategic Objectives

> Optimise corporate engagement

> Grow strategic alliances

> Drive national sponsorships

Optimise Corporate Engagement

AIPM has remained committed to driving corporate engagement over the past financial year. The key focus of these discussions has been on increasing the awareness of the importance of the project management profession in industry and government, the official recognition of project management as a profession, improving AIPM membership numbers amongst key corporate partners and driving ancillary revenue through certification and event sponsorships.

Meetings have been held with both public and private corporations in key industry sectors to reinforce our key initiatives. Our offerings include corporate roundtables, industry council representation, speaking opportunities at AIPM events, introductions to key stakeholders, and access to Communities of Practice.

Our goal is to implement, harness, and grow mutually beneficial, long-term corporate partnerships, with a variety of government, public and private organisations.

Grow Strategic Alliances

To help amplify our key messages, we have continued to forge collaboration arrangements with like-minded industry bodies, with an intention of taking a shared voice to industry and government, as well as sharing research, co-hosting and cross-marketing of events and cooperative agreements on shared advocacy issues.

Over the past financial year we have finalised arrangements with the Australian Marketing Institute, the Hargraves Institute for Innovation, the Change Management Institute (NSW) and the International Institute for Business Analysts.

Drive National Sponsorships

In our efforts to drive national sponsorships over the past year, AIPM has worked to consolidate and improve our event portfolio enhancing the offerings we can make to organisations as a result. We created a number of national and standardised events with a view to tailoring these to prospective event partners. We now offer a National Roadshow, annual Project Management Day celebrations, Briefing Series, PM Webinar Series and our National Conference as opportunities for organisations to partner with the AIPM.

Chapter staff and volunteers continue to drive partnerships at a local level, thereby strengthening our relationships with individuals and organisations.

Board Sponsor

Trevor Alex
FAIPM CPPD

Professional Advancement

Strategic Objectives

- > Assure AIPM certifications framework

- > Grow certification

- > Provide professional development opportunities

- > Alignment of PM curricula - accreditation

Assure AIPM certifications framework

To recognise project management as a profession and to ensure AIPM provides the National Certification and career pathway for project managers, the AIPM Board extended its approval to proceed with the submission of an application for the Professional Standards Scheme (PSC). The Scheme will provide formal recognition of project management as a profession and the capped liability will clarify, and in some cases, reduce insurance coverage requirements. The Scheme will provide the same recognition within industry that is afforded to other professions such as accounting, engineering and law.

To support the PSC application our National RegPM professional standards will continue to be reviewed and updated in line with current industry needs and developments in international standards.



Professional Advancement

Grow certification

International Certification

The 2016/2017 year has seen significant opportunity in the mutual recognition of the IPMA certification. A transition program has been piloted and introduced to transition from the RegPM CPPM, CPSPM and CPPD certification levels to the IPMA Level C, Level B and Level A equivalent certification levels respectively. AIPM is the only IPMA Member Association in the world that has been approved to provide this transition program.

Dual certification provides access to the IPMA Federation that promotes the profession of project, programme and portfolio management through a global network of over 60 Member Associations around the world. IPMA has developed the Four Level Certification System (4-L-C) and the IPMA Competence Baseline (ICB).

The ICB is the first and only international competence baseline for the field of project management. It is the common framework

document by which all IPMA Member Associations and Certification Bodies abide to ensure that consistent standards are applied.

The ICB forms the basis for the worldwide recognition of national project management training and certification programs at the four levels of certification.

Industry Advisory

AIPM, as the peak body in project management in Australia, continues to work closely with PwC's Skills for Australia Program Management Project Working Group and the program Industry Advisory Groups of a number of universities across the country. We meet on a regular basis with regulators and the Australian Skills Quality Authority and Tertiary Education Quality and Standards Agency. AIPM has assisted with the review of course content and relevance and will provide ongoing advice in the regulation of project management qualifications.

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AIPM's International Transition Certification pathway

Continuous Professional Development

Following feedback from our Member Survey, AIPM took the decision to allow members to self-manage their log of required continuous professional development activities. The facility to upload evidence to the member site and the automatic recognition of points acquired attending an AIPM event, is still in place. The number of points required for recertification has not changed, however we are continuing to consolidate and expand the breadth of activities that accrue continuous professional development activity points.

Provide professional development opportunities

The strategic objectives for Professional Advancement are centred on the development and execution of the Professional Development Strategy. The Strategy will build project management capability to provide a competitive advantage in terms of business development. The key component of the Strategy includes a self assessment tool that will identify capability gaps against key competence indicators within the AIPM certification framework. A tailored professional development program will be assigned to the individual to strengthen the identified gaps. All professional development activity will be managed and monitored online through a Professional Development portal linked to a personalised Learning Management System. All learning activities will relate and support the key competence indicators within the AIPM framework, preparing the candidate for the assessment process for both the National Registered Project Manager (RegPM) and the International Project Management Association (IPMA) certification.

Organisations will have the ability to review an aggregate of results for a project team, program, or portfolio which will outline the organisational capability gaps, provide a benchmark for improvement and identify major areas requiring improvement. This will assist with both workforce planning and also professional development across the organisation.

Alignment of PM curricula - accreditation

Endorsed Course Program

The Endorsed Course Program was reviewed and changes made to streamline the process and transition to one Endorsed Course Auditor model, which allowed the program to become more efficient. The RPL policy was reviewed in 2016 to expand the categories eligible for automatic CPPP certification and now includes endorsed Higher Education courses or VET courses, and approved certifications from other project management bodies.

National Mentoring Pilot Program

The National Mentoring Pilot Program is successfully underway and plans are in place to expand the next intake round to include our corporate members and further geographical boundaries. The opportunity to gain exposure to external influence, experience and best practice is invaluable.

Board Sponsor

Michael Young
FAIPM CPPD

Professional Advancement Policy Committee

Michael Young
FAIPM CPPD
Committee Chair

Ian Sharpe
(Until 18 Oct 2016)
FAIPM CPPD
AIPM Director

Nicole Nader
MAIPM CPPM
AIPM Director

Leh Simonelli
FAIPM CPPD
AIPM Director

Information, Innovation and Influence

Strategic Objectives

> Maximise brand recognition

> Be the authoritative voice for PM

> Enable social & business networks

> Drive National PM research

Maximise brand recognition

The Information, Innovation and Influence Pillar has worked to advance the reach of AIPM across members, future members and project management stakeholders in business and government at all levels throughout the past year.

We maintained a strong focus on maximising our brand recognition, through consistent messaging on targeted campaigns. These key initiatives included AIPM's 40th Anniversary, the Project Management Achievement Awards, the re-launch of Member Advantage, the Member Satisfaction Survey, our Pilot National Mentoring Program and advancements in certification, including automatic recognition for CPPP, self-managed CPD and International Transition Certification. We also delivered five editions of our member-only Project Manager Magazine, including the successful Holiday Bumper Edition in December 2016. In addition, we announced new collaboration arrangements with the Australian Marketing Institute, Change Management Institute (NSW), the International Institute for Business Analysis and the Hargraves Institute for Innovation.

Be the authoritative voice for PM

A major focus continues to be our advocacy agenda. We are working with industry and government to raise the profile of the critical role that project management plays and the importance of professional recognition. 2016/17 saw a range of AIPM ambassadors speak at key industry events and conferences. AIPM Fellow, Richard Fechner, represented AIPM at two conferences in China

on the topic of public private partnerships, as the country pursues its 'One Belt One Road' initiative to improve global infrastructure linking Europe, Asia, Oceania and Africa. Director, Michael Young, represented AIPM on several local and international standards committees and research gatherings which continue to reinforce Australia's thought leadership in project management.

CEO, Yvonne Butler, has been lobbying hard for the profession, securing meetings with leaders in government and industry, as well as delivering many conference presentations, including the prestigious Australian Financial Review Infrastructure Summit.

Enable social & business networks

The AIPM website saw a number of key upgrades throughout the year, including the introduction of our Project Management Webinars series which now makes attending AIPM events accessible to every member across the country. We also launched our pilot National PMO Community of Practice, which allows members to network and collaborate on current better practices and emerging issues from around Australia and overseas.

Drive national PM research agenda

AIPM is committed to facilitating the exchange of project management knowledge and research throughout industry and the academic community. In 2017 we engaged with organisations such as the University of Melbourne, the University of Technology Sydney, Curtin University, Sydney University, and Infrastructure Australia to consider specific research opportunities. AIPM has identified significant research opportunities, but cannot fund research activities. We are optimistic that more industry and academic contributors will come forward to partner with AIPM to deliver an evidence base for project management in Australia.

Board Sponsor

David Bryant
MAIPM CPPD

International

The International Pillar of the AIPM Strategy 2020 exists to ensure that AIPM discharges our commitment to actively participate as a thought leader in the global project management profession and to foster collaboration and capability development through excellence in project management across our region.

Our international focus provides value to members through our participation in, and knowledge sharing at, international events and committees. Australia has an excellent reputation globally and AIPM is very proud and supportive of the significant contributions of our many volunteers who participate internationally.

We also seek to work closely with our Corporate members who have regional and international operations, to help them build their internal project management competence which will enable them to be more competitive and sustainable.

Strategic Objectives

We have two strategic objectives in the International Pillar:

> International Engagement

> Regional Expansion

Key Activities

AIPM hosted the International Project Management Association Council of Delegates (CoD) in Sydney, adjacent to our hugely successful National Conference. For the first time from Sydney, the 60+ Member Associations issued a communiqué and call to action for government and industry around the world to explicitly pledge their support for the project management profession. We called on all nations to formally recognise the profession of project management, and to dedicate certified project management resources to

deliver their commitments to their shareholders and stakeholders.

A second communiqué was issued at the March CoD for industry and government leadership around the world to actively support projects, programs and portfolios by establishing good governance and supporting the people involved in sponsoring and delivery projects, programs and portfolios.

A major achievement this year was the execution of the Recognition of Prior Learning and Achievement Policy. This enabled RegPM certified members to build on their professional foundations by transitioning to international certification, after undertaking a simple and streamlined competency-based assessment.

This Strategic Pillar is governed by a Board Sub-Committee which comprises Professional Advancement Board Sponsor, Michael Young (Committee Chair), Board Chair Leh Simonelli, Board Deputy Chair Mike King, Chair Audit and Risk Committee Mark Patch and Director Trevor Alex (also apfpm Vice President).

Board Sponsor

Leh Simonelli

FAIPM CPPD

A thank you to our volunteers

The past twelve months have seen some watershed moments for our Institute. The last half of 2016 saw celebrations around the country for our 40th year. We hosted over 600 delegates at the 2016 AIPM Inaugural Regional Conference in conjunction with IPMA and we welcomed new members, committee members, Board members and staff members. This has seen us reinforce our place as the peak body for project management in Australia.

There is little doubt that so much of what we do, what we have and will achieve is thanks to the amazingly passionate work of volunteers who support us across the country. On behalf of the Institute, I would like to thank each and every one of our volunteers who helped us achieve our goals over the past twelve months.

We are so lucky to have such experienced and devoted members of our Board of Directors, who each year give up huge amounts of time to ensure that the strategic direction of the AIPM continues on an upward trajectory, and to them I offer my heartfelt thanks. I also would like to thank our Chapter Councillors who also give up so much to contribute to the advancement of the Institute, and the profession, each and every year.

Our industry-leading Project Management Achievement Awards (PMAAs) simply would not be possible without our dedicated group of national PMAA judges, so to them I would like to extend my most sincere gratitude.

At the 2016 Annual General Meeting we saw two important acknowledgements of outstanding contributions to the Institute and project management in Australia. Dr Bill Young LFAIPM CPPD was acknowledged as our latest Life Fellow of the Institute for rendering exceptional service to the Institute. Kathryn Campbell CSC was bestowed with an Honorary Fellowship for her conspicuous and meritorious contribution to the profession of project management whilst in her role as Secretary of the Department of Human Services.



Yvonne Butler FAIPM
Chief Executive Officer
Australian Institute of Project
Management



“As Patron of the Australian Institute of Project Management, I am proud to be involved in an organisation that promotes the knowledge, skills and competency of Australian project managers and professionals to secure innovative and world-best outcomes across the business, infrastructure, government and defence sectors. I especially thank the Councillors, Board and AIPM members who dedicate many hours of voluntary service to the Institute’s wide-ranging professional development activities and pathways.”

AIPM Patron, His Excellency General The Honourable David Hurley AC DSC (Ret'd)



Dr Bill Young LFAIPM CPPD was acknowledged as our latest Life Fellow of the Institute



Kathryn Campbell CSC was bestowed with an Honorary Fellowship for her contribution to project management

Governance & Ethics

AIPM Governance

AIPM’s governance framework is modelled on that of leading listed companies, but is cognisant that AIPM is foremost a membership organisation requiring considerations beyond just complying with ASIC requirements. AIPM believes this approach ensures that the organisation can deliver sustainable value to members into the future.

The setting of strategy and governance of AIPM vests with the AIPM Board.

The objectives of the Board are to determine and to monitor:

- the AIPM short, medium, and long-term goals and its overall strategic direction;
- policies governing the operations of AIPM and the conduct of its members;
- powers and functions of Congress, Chapter Councils, Board Committees, and other committees as may be established from time-to-time; and
- annual progress and performance of AIPM in meeting its objectives.

The Board has formed a number of advisory committees that assist it to deliver to these objectives. These Committees allow participants to review, evaluate and make informed recommendations to the Board in their respective areas of ambit. The Committees are an important part of AIPM’s governance framework and include the:

- Governance and Ethics Committee;
- Audit & Risk Committee
- International Committee
- Conference Committee

BOARD OF DIRECTORS

Leh Simonelli
Chair



CHAPTER CONGRESS

Michael King
Chair

Governance & Ethics Committee

The Governance & Ethics Committee is a key Board forum which is tasked to examine any matters about the governance of AIPM. It reviews and makes recommendations to the Board in relation to AIPM governance processes, Board and Committee renewal and Code of Ethics frameworks and practices. The objectives of the Committee are:

- Oversight of human resource and governance strategies;
- The setting of key performance areas for the Chief Executive Officer (“CEO”) and the regular review of the CEO’s performance;
- Oversight of management and staff remuneration;
- Oversight of staff policies and procedures;
- To set the criteria of nominees for election to the Board;
- Consulting with Chapter Councils on nominees for the role of Congress Elected Board representatives;
- To oversee and make recommendations to the Board on any breach or alleged breach by members of the Constitution, Code of Conduct or relevant governance requirements; and
- Oversight of compliance with applicable laws and regulations.

During the financial year, the Interim Governance & Ethics Committee concluded their work started

as the Transition Constitutional Working Group which oversaw the new AIPM Constitution and supported the development of many governance foundation documents. We thank the Committee members listed below for their tireless contribution and guidance through this significant change.

The AIPM Board determined that the Committee, given the importance of the ambit of the Committee, would be best served by a sub-group of the AIPM Board. Thus, the Committee structure has moved to the Directors listed below.

Key achievements during the year:

- The AIPM Rules were finalised and communicated.
- Register of Elected Officials reconfirmed, including roll-off schedule.
- In preparation for AIPM’s push to be recognized under the Professional Standards Council work has commenced on strengthening the Code of Ethics and Professional Conduct and AIPM’s complaints and disciplinary hearings, processes and practice.
- Reviewed currency and adequacy of AIPM HR policies and procedures.
- Determined procedures and workflow for Fellows nomination review and awards.
- Reviewed Board composition, including Independent Directors.

Transition Governance & Ethics Committee

Nicole Nader
Committee Chair
MAIPM CPPM

Gary Yorke
FAIPM

Ray Abe
FAIPM CPPD

Graham Watt
FAIPM

Bill Young
FAIPM CPPD

Governance and Ethics Committee

Nicole Nader
Committee Chair
MAIPM CPPM

Michael King
FAIPM CPPD

Leh Simonelli
FAIPM CPPD

Audit and Risk

The Audit & Risk Committee is an important governance forum that examines any matters related to the financial affairs and legislative and regulatory compliance of AIPM. The Committee is made up of AIPM Board Directors and is tasked with reviewing and making recommendations to the Board in relation to:

- The effectiveness of reporting financial information to all AIPM stakeholders;
- Liaising with the Institute’s external auditors;
- Optimising financial investments;
- Oversight of internal control systems;
- Setting and reviewing AIPM’s risk management practices;
- Compliance with AIPM’s constitutional documentation and material contracts; and
- AIPM’s compliance framework with applicable laws and regulations.

Key achievements during the year have resulted in an:

- Extensive revision of financial management reporting and performance tracking;
- Oversight of a comprehensive review of AIPM’s budget and forecasting process;
- Review and placement of the AIPM insurance program;
- Revision of the AIPM risk framework and reporting; and
- Monthly oversight of the financial results with periodic recommendations to the AIPM Board.

Audit and Risk Board Sub-Committee

Mark Patch
 MAIPM CPPD
 Committee Chair

David Bryant
 MAIPM CPPD
 AIPM Director

Michael King
 FAIPM CPPD
 AIPM Director

Leh Simonelli
 FAIPM CPPD
 AIPM Director



AIPM Board of Directors and CEO at the 2016 AIPM Inaugural Regional Conference in conjunction with IPMA (18 October, 2016) / Michael Young FAIPM CPPD / Nicole Nader MAIPM CPPM / Leh Simonelli FAIPM CPPD / David McGuire MAIPM CPPD / Michael King FAIPM CPPD / Yvonne Butler FAIPM (AIPM CEO) / Mark Patch MAIPM CPPD / Trevor Alex FAIPM CPPD / David Bryant MAIPM CPPD.

National Conference Committee

As the Australian Member Association of the International Project Management Association (IPMA), AIPM is recognised nationally as the key promoter, developer and leader in project management professionalism.

AIPM 2016 Inaugural Regional National Conference

In 2016, 615 members gathered at the Sydney Hilton from 16-19 October for the AIPM Inaugural Regional Conference, in conjunction with IPMA. The 2016 conference theme was “Project Management: Building Capabilities” and the program included a diverse range of world-class speakers and a formal program of concurrent sessions. The streams

focused on key competencies and needs which AIPM has gathered both from members and industry.

The Conference attracted delegates from across Australia, as well as a significant number of international delegates, predominantly from the UK and Europe.

The outstanding speakers of 2016 included our Patron His Excellency The Honourable David Hurley AC DSC (Ret’d), Governor of New South Wales, Dr Margaret Byrne, Principal Consultant, UGM Consulting, Dr Rob Kay, co-founder and Executive Director, Incept Labs, Kitty Chiller, Chef de Mission for Australia, 2016 Summer Olympics and Fiona Dawson, Grace Dawson and Sophie-Louise Shearwood – from the Subs in Schools program.

Board Conference Committee

Michael King
Committee Chair
FAIPM CPPD

James Bawtree
MAIPM CPPD

Yvonne Butler
FAIPM

Conference Organising Committee

Yvonne Butler
FAIPM

Mark Adams
AAIPM

Jannene Stephens-Roberts

Michael Martin

Kestrel Stone
MAIPM

Michael Berdon

Denise Broeren

Gareth Chegwidden
MAIPM CPPD

A sincere thank you to the AIPM National Conference Board Committee and Organising Committee for their significant contribution to what was a highly successful 2016 AIPM Inaugural Regional Conference in conjunction with IPMA.

Project Management Achievement Awards

The Project Management Achievement Awards (PMAA) are the premier project awards in Australia.

2016 saw the second year of the altered PMAA national judging structure, which included several improvements intended to streamline the process again on 2015's proceedings. The end result was 38 Individual category submissions and 86 Project category submissions.

Chapter gala events were held to announce, and make presentations to, the Chapter PMAA winners. The 2016 National PMAA winners were announced

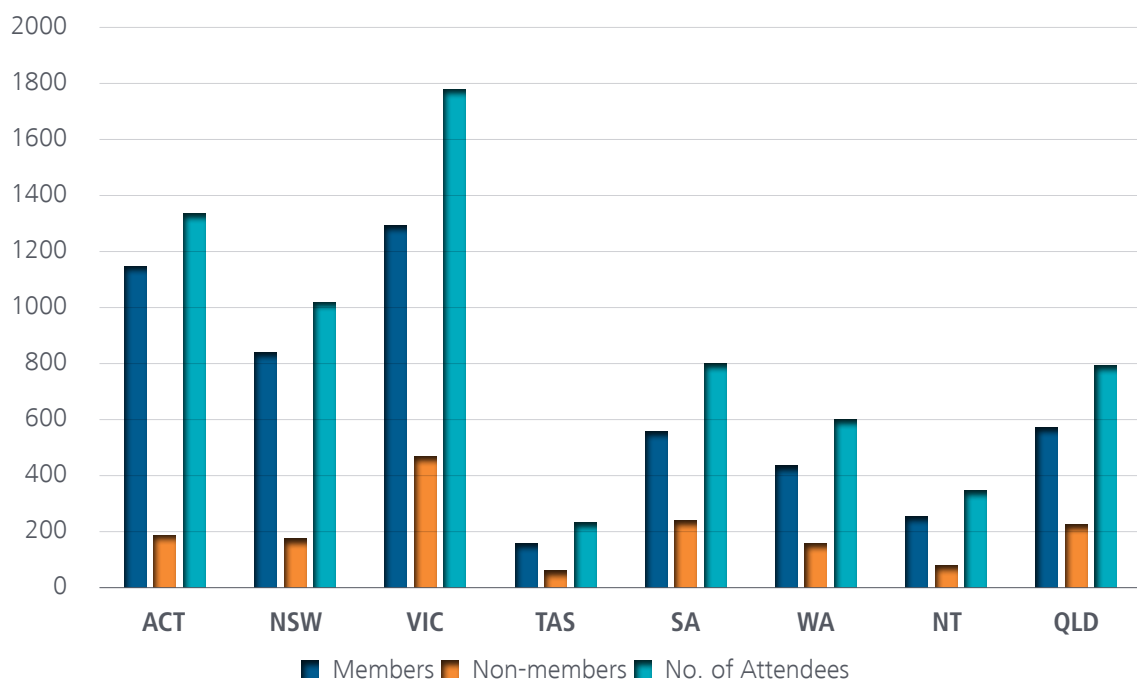
at the gala dinner at the AIPM Inaugural Regional Conference in Sydney. Queensland once again took out the National Project of the Year, with the submission from Queensland Rail for the "Rail Management Centre".

Significant effort and resources are needed to undertake the annual PMAAs and we are indebted to our judging panel, led by our National Chief Judge - Philip van der Moezel; his Deputy Chief Judges - Gary Hatfield for Individual submissions and Todd Hunt, for Project submissions; our extensive list of volunteer judges and staff who make the recognition events possible.

Events

In the 2016/2017 financial year AIPM hosted 139 events around the country, with a total of 7,448 attendees. 22% of attendees were non-members and the average number of attendees has increased from 45 to 50 persons per event.

Attendance numbers by Chapter



The four-part themed briefing series, catering to our members with different levels of project management experience, has attracted outstanding member satisfaction results as has the newly established webinar series.

Chapter Congress

The AIPM Chapter Congress, created following the ratification of the AIPM Constitution in October 2015, now moves into its third year continuing to evolve as an integral part of promoting the national strategy to project professionals within Chapters.

Membership of the Chapter Congress comprises the Deputy Chair of the Board, Chapter Presidents and Vice Presidents, and the immediate past Congress Elected Director.

The objectives of the Chapter Congress, in accordance with its Charter, are to assist the Board to:

- Provide direction for local implementation of AIPM national strategy; and
- Ensure alignment of activities across AIPM Chapters.

Chapter Congress Members

| CHAPTER | PRESIDENT | VICE PRESIDENT |
|------------------------------|------------------------------|------------------------|
| Northern Territory | Robert Foote MAIPM CPPD | Glen Brady MAIPM CPPM |
| Queensland | Phil Sealy MAIPM CPPD | Chris O'Halloran MAIPM |
| New South Wales | James Bawtree MAIPM CPPD | Graham Watt FAIPM |
| Australian Capital Territory | David Roulston MAIPM CPPE | Robert Elliott MAIPM |
| Victoria | Michael Ratcliffe FAIPM | Nick Massie FAIPM |
| Tasmania | Rebecca Greenwood MAIPM CPPM | Maria Skillern FAIPM |
| South Australia | Elena Zagorenko MAIPM CPPD | Craig Rigg MAIPM CPPD |
| Western Australia | Keith Chidley MAIPM CPPE | Phil Harlow FAIPM |

The Chapter Congress met at the 2016 National Conference in Sydney, and again in Sydney in February 2017, for a comprehensive opportunity to discuss, report and workshop current and future needs of the profession with AIPM as its leader. The February meeting was attended by a number of AIPM Directors and National Office staff, allowing the engagement at this level to build relationships and present opportunities and advice.

A new initiative for Congress is that members receive, and can respond to, a thorough monthly information pack covering National and Chapter performance indicators and the status of strategic projects within Strategic Pillars. For strategic alignment and benefits to members, Congress is also provided with the state of play of AIPM products and services to enable Chapters to effectively and consistently promote the value proposition to the profession. A number of projects specifically targeting Congress input have also been initiated.

The Chapter Congress has played a major part in the identification of the impact of emerging issues on the profession of project management and the steps required to provide advice to the Board on addressing these issues. A further initiative to promote engagement between members of Congress has been the introduction of the AIPM collaboration space to encourage these emerging issues and discuss and promote similar opportunities.

Congress would like to thank members of the inaugural year who have stepped down and acknowledge their time and efforts in working for AIPM and the profession. They are: David McGuire MAIPM CPPD (now AIPM Director), Mark Dodt MAIPM CPPD, Jeff Dutton MAIPM CPPM, Kimberley Pilkington MAIPM and Anthony Wood MAIPM CPPD.



Michael King FAIPM CPPD
Congress Chair

Chapter report - Australian Capital Territory

The AIPM ACT Chapter Council has worked hard throughout the year to ensure that we were meeting the expectations of our members through increased engagement at the local level. An increase in sponsorship by local industries and an overall increase in membership and attendance at events demonstrates the successful outcome of events. Our members have enjoyed several joint forums with other professional organisations this year and they indicated a desire to revitalise the student and emerging project manager membership to foster the development of project management at the earliest possible stages of career development. This focus has been supported by your Council members with significant effort and engagement in our local universities and a first reach-out with educators in the ACT.

Trends for our Chapter in 2017 included our members wanting an increase in the calibre of our speakers and a focus on local projects and initiatives at our events. The fulfilment of these expectations resulted in increased attendance and very positive feedback after our forums. We have maintained a focus on the activities undertaken by Council members through the development of joint and individual KPIs matched to the strategic goals of the National AIPM agenda.

We have hosted several great events this year, but again the key event in 2016 was the ACT Chapter Project Management Achievement Awards (PMAA). The event itself was a fantastic opportunity to

ensure that project professionals, at all levels, took the time out to celebrate their success and to recognise the results of their hard work. The feedback on all aspects of the event was very positive and extremely pleasing.

In the coming financial year we would like to see greater involvement in the Chapter activities from our members and gain feedback on what it is they really want from their Chapter Councils and AIPM. The role of the local Chapters is to foster membership spirit and promote the profession of project management in our local community. Through these efforts we have ensured a successful contribution, not only to the strategic outcomes of AIPM, but importantly to the promotion of the profession of project management. Our Council members and pilot PMO CoP volunteers have again worked tirelessly to ensure the Chapter continues to be a vibrant and engaging organisation. We will work hard to expand our corporate membership across all sectors at the Commonwealth and Local Government level and increase the awareness and benefits of AIPM in the ACT Government and across industries.

David Roulston MAIPM CPPE

Australian Capital Territory Chapter President

Narelle Muller

Member Relations Officer

Australian Capital Territory Chapter

Australian Capital Territory Chapter Councillors

David Roulston

MAIPM CPPE

President

Don Couatts

MAIPM CPPD

Councillor

Jane Hatton

MAIPM

Councillor

Boyd McCarron

FAIPM CPPD

Councillor

David Vrancic

MAIPM

Councillor

Rob Elliott

MAIPM CPPD

Vice President

Nick Crossley

MAIPM CPPM

Councillor

Dr Rakesh

Malhotra

MAIPM CPPM

Councillor

David Pinkerton

MAIPM CPPD

Councillor

David Williams

MAIPM

Councillor

Sylvia Boyle

FAIPM CPPD

Councillor, Fellow

Andrew Fox

MAIPM CPPD

Councillor

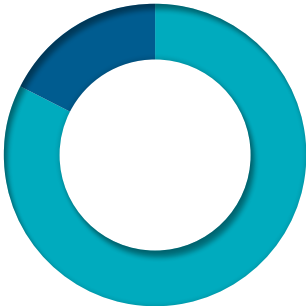
Julie Summerfield

MAIPM CPPD

Councillor

MEMBERSHIP GRADE

| | | |
|-----------------|--------------|--------------|
| Honorary Fellow | 0 | 0.0% |
| Life Fellow | 2 | 0.2% |
| Fellow | 5 | 0.4% |
| Member | 1,043 | 82.5% |
| Associate | 92 | 7.3% |
| Affiliate | 100 | 7.9% |
| Student | 22 | 1.7% |
| Total | 1,264 | |



CERTIFICATION GRADE

| | | |
|--------------|------------|--------------|
| CPPE | 7 | 1.4% |
| CPPD | 250 | 51.3% |
| CPSPM | 1 | 0.2% |
| CPPM | 197 | 40.5% |
| CPPP | 32 | 6.6% |
| Total | 487 | |



GENDER

| | | |
|---------------|--------------|--------------|
| Female | 280 | 22.2% |
| Male | 980 | 77.5% |
| Not Specified | 4 | 0.3% |
| Total | 1,264 | |



Chapter report - New South Wales

Over the past twelve months the NSW Chapter has seen a continuous registration of new members and also achieved a considerable increase in the number of certified members in our Chapter (86 additional certifications). This demonstrates our credibility and ongoing commitment to professional development.

Throughout the year we delivered some fantastic events including Three Tiers of Government, the Top Guns Forum, Design Thinking and our first national roadshow on Sustainable Project Management. We also celebrated the best projects and project professionals in NSW with our Project Management Achievement Awards. Capital Insight took out NSW Project of the Year for the Westmead Institute of Medical Research.

The National Office also launched its PM Webinars series, which allowed many NSW members to learn virtually in their lunch time, as well as watch recorded webinars to gain CPD points.

Our President, James Bawtree, was one of the first AIPM members to complete the International Transition Certification program and found the process easy and valuable, due to the focus on behavioural competencies critical to modern project management, complementing our existing technical and contextual RegPM areas. Promoting

IPMA transition will be a focus for NSW in the next twelve months.

We would like to take this opportunity to thank all our current and past Councillors for their determination to grow the NSW Chapter's membership, encourage certification and provide great events offerings to our members. We welcomed three new Councillors to our team, who are driving our continuous focus to better support our members around NSW.

As we enter the 2017/2018 financial year, we are aligning our focus with the AIPM's Strategy Map and six main Pillars. This will allow us to create relationships with corporates that offer them measurable value and benefit. We will also be able to continue to provide high quality and varied events to benefit members with networking and knowledge.

James Bawtree MAIPM CPPD
New South Wales Chapter President

Eliza Judd
National Events Coordinator

Kristal Richards
National Membership Coordinator

New South Wales Chapter Councillors

James Bawtree
MAIPM CPPD
President

Graham Watt
FAIPM
Vice President;
Fellow

Mark Adams
AAIPM
Councillor

Joe Bond
MAIPM
Councillor

**Gareth
Chegwidden**
MAIPM CPPD
Councillor

**Mary-Jane
Daniher**
MAIPM CPPM
Councillor

Brian Dixon
MAIPM CPPD
Councillor

Tony Healey
MAIPM CPPM
Councillor

Sue Linney
MAIPM
Councillor

Dean Overend
Councillor

**Kimberley
Pilkington**
Councillor

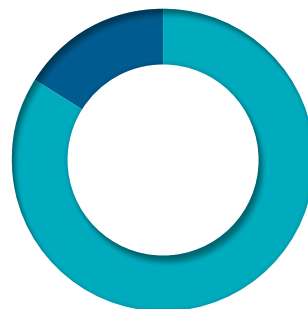
Kestrel Stone
MAIPM
Councillor

Alana Travis
MAIPM
Councillor

Ross Williams
MAIPM CPPD
Councillor

MEMBERSHIP GRADE

| | | |
|-----------------|--------------|--------------|
| Honorary Fellow | 1 | 0.0% |
| Life Fellow | 3 | 0.1% |
| Fellow | 20 | 0.9% |
| Member | 1,900 | 84.1% |
| Associate | 182 | 8.1% |
| Affiliate | 81 | 3.6% |
| Student | 71 | 3.1% |
| Total | 2,258 | |



CERTIFICATION GRADE

| | | |
|--------------|------------|--------------|
| CPPE | 7 | 0.9% |
| CPPD | 253 | 31.3% |
| CPSPM | 6 | 0.7% |
| CPPM | 453 | 56.1% |
| CPPP | 89 | 11.0% |
| Total | 808 | |



GENDER

| | | |
|---------------|--------------|--------------|
| Female | 441 | 19.5% |
| Male | 1,813 | 80.3% |
| Not Specified | 4 | 0.2% |
| Total | 2,258 | |



Chapter report - Northern Territory

The AIPM Northern Territory Chapter has continued to foster the importance of registration and certification of project management professionals in all areas of Government and private sectors in the Northern Territory this year. This is becoming an increasing challenge with the tightening of the economic positions of all sectors, especially within the NT Government where they are reducing support, both financial and professionally, which will have a flow on to other sectors. This is a very short term view in that it will reflect on the quality of outcomes and therefore this is where more effort will be required to evidence the value of Certified Project Managers and Directors.

Despite this attitude in Government, the NT Chapter has excelled in growth again this year with a 23% increase in members. Our Continuing Professional Development events are growing in support, with a 48% growth in registrations. This is in contrast to the downturn in the infrastructure sector, with the conclusion of a number of large infrastructure projects and reduced number of projects initiated in the Territory. Professionals are recognising the value to their work in being certified and many employers are also recognising this as an advantage to the business through better professional service to their customers.

This year the Chapter again focused on encouraging entries in the 2017 AIPM Project Management Achievement Awards (PMAAs). As in previous years, the Chapter Councillors hosted a number of

group workshops with interested local businesses. The success of these workshops, and one-on-one discussions, speaks for themselves in the high number of quality entries from one of the smallest jurisdictions. The attendance at the NT PMAA event has steadily grown over the last few years and we again expect record attendance this year.

The NT has had several highlight events so far this year (with a concentration on infrastructure), and over the next financial year we are looking at diversifying to other sectors such as Health Care, IT and Defence. In 2016/2017 we hosted speakers who covered topics including contract disputes, avoidance and adjudication, sustainable project management and a number of other topics which elicited great interest.

The continued support of the Chapter Councillors and our valued members is greatly appreciated. Future efforts will concentrate on the young and developing project managers, expanding our CPD events beyond the usual infrastructure topics, and spreading AIPM's sphere of influence and network beyond the urban centre of Darwin to Alice Springs and Katherine in particular.

Robert Foote MAIPM CPPD
Northern Territory Chapter President

Kate Lee
Member Relations Officer
Northern Territory Chapter

Northern Territory Chapter Councillors

Robert Foote
MAIPM CPPD
President

Stefania Fikus
MAIPM
Councillor

John McClement
MAIPM CPPD
Councillor

Mark Taylor
MAIPM CPPM
Councillor

Glen Brady
MAIPM CPPM
Vice President

Lyle Hebb
MAIPM CPPD
Councillor

Amy Pinnell
MAIPM CPPM
Councillor

Ryan Wright
MAIPM CPPM
Councillor

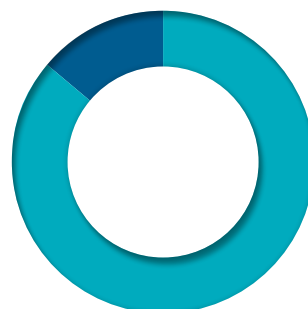
Valerie Nullet
MAIPM
Treasurer

George Koulakis
Councillor

Agnieszka Stopyra
MAIPM CPPM
Councillor

MEMBERSHIP GRADE

| | | |
|-----------------|------------|--------------|
| Honorary Fellow | 0 | 0.0% |
| Life Fellow | 0 | 0.0% |
| Fellow | 1 | 0.6% |
| Member | 136 | 82.9% |
| Associate | 16 | 9.8% |
| Affiliate | 3 | 1.8% |
| Student | 8 | 4.9% |
| Total | 164 | |



CERTIFICATION GRADE

| | | |
|--------------|-----------|--------------|
| CPPE | 1 | 1.6% |
| CPPD | 15 | 23.4% |
| CPSPM | 3 | 4.7% |
| CPPM | 41 | 64.1% |
| CPPP | 4 | 6.3% |
| Total | 64 | |



GENDER

| | | |
|---------------|------------|--------------|
| Female | 39 | 23.8% |
| Male | 125 | 76.2% |
| Not Specified | 0 | 0.0% |
| Total | 164 | |



Chapter report - Queensland

Over the last twelve months the Queensland Chapter has focused on delivering on three key goals that were set in the prior year, addressing the changing activities in QLD after the mining sector decline. We are now seeing different areas and industries starting to come out on top and a reinvigorated interest in professional project management across the state.

As planned, AIPM QLD Chapter continued to increase the diversity of active members. A key step was engaging young project professionals [YPP] in Chapter activities by growing the YPP stakeholder group and activities, and welcoming two new "under-40s" to the Chapter Council. Another key milestone was one of our new Councillors hailing from north QLD, marking the first steps in our efforts to increase regional engagement and geographic diversity. We intend to recruit more councillors and convenors from regional QLD to assist us to understand, represent and provide services to our regional members. Finally, we have seen an increase in the gender and cultural diversity of speakers in our Chapter and these remain important objectives. We will also strive to bring more female and ethnically-diverse leaders to the table in both Council and Chapter activities.

The Chapter has delivered some key benefits to our members over the last six months, including the National Briefing Series and Chapter events across a range of communities of practice and topics. A core part of the Regional Engagement Strategy has been

to make events held in Brisbane available to regional project professionals via interactive video link.

We also invested in Corporate Connection and Partnering, working with our National Office to identify and approach new SMEs and reconnect with current Corporate members. An increase in partnerships from QLD businesses/branches and frank and open discussions with our organisation has been reflected in these efforts. We will work to increase this engagement through roundtables and other corporate collaborations in the next year.

In the coming year we will continue to grow the value-for-membership through strong and focussed strategies for diversity, regional engagement, events, and Corporate Connection and Partnering (including SMEs and local government). We will explore new and innovative ways to use technology to increase our connection to regional and other members.

With the imminent election of several new QLD Councillors, we look to further improve the age, gender and geographic mix of valued elected representatives on your Chapter Council.

Phil Sealy MAIPM CPPD
Queensland Chapter President

Gina Meibusch
Member Relations Officer
Queensland Chapter

Queensland Chapter Councillors

Phil Sealy
MAIPM CPPD
President

Chris O'Halloran
MAIPM
Vice President

Anura Abeygunawardane
MAIPM CPPM
Councillor

Frank Aldred
MAIPM CPPD
Councillor

Brad Cowan
FAIPM CPPD
Councillor

Raju Dharani
MAIPM CPPD
Councillor

Michael Griffiths
MAIPM CPPD
Councillor

Travis Mark
MAIPM CPPM
Councillor

Mary Martin
MAIPM
Councillor

Elaine Roberts
MAIPM CPPD
Councillor

Lachlan Waite
MAIPM CPPD
Councillor

Brad Wickham
MAIPM CPSPM
Councillor

MEMBERSHIP GRADE

| | | |
|-----------------|--------------|--------------|
| Honorary Fellow | 0 | 0.0% |
| Life Fellow | 1 | 0.1% |
| Fellow | 8 | 0.5% |
| Member | 1,541 | 87.4% |
| Associate | 131 | 7.4% |
| Affiliate | 32 | 1.8% |
| Student | 50 | 2.8% |
| Total | 1,763 | |



CERTIFICATION GRADE

| | | |
|--------------|------------|--------------|
| CPPE | 17 | 2.5% |
| CPPD | 243 | 35.7% |
| CPSPM | 9 | 1.3% |
| CPPM | 362 | 53.2% |
| CPPP | 50 | 7.3% |
| Total | 681 | |



GENDER

| | | |
|---------------|--------------|--------------|
| Female | 281 | 15.9% |
| Male | 1,479 | 83.9% |
| Not Specified | 3 | 0.2% |
| Total | 1,763 | |



Chapter report - South Australia

Last financial year was challenging for the SA Chapter with the Chapter President, Anthony Wood, leaving the Council in November 2016 and Michelle Pearson, MRO, departing AIPM shortly after, in December 2016. In early 2017, the Chapter saw a change in the leadership team, with the appointment of Elena Zagorenko as the new Chapter President and Craig Rigg as Vice President. Megan Galpin, our new Chapter MRO, also came on board in February 2017.

Chapter Councillors worked across the year to develop and deliver relevant and topical events for our local constituents. This was achieved by the Chapter running several very successful, targeted events, which were warmly welcomed by the membership and had excellent attendance. This has also resulted in membership growth (and an acquisition of a new corporate member, SA Power Networks) in the second half of the 2016/2017 financial year. The SA Chapter has also secured several sponsorship opportunities for the 2017/2018 financial year, which will be a great pathway into the future success of the Chapter.

In the 2017/2018 financial year the Chapter is planning to continue with the initiatives that began at the end of the 2016/2017 financial

year. The spotlight will be on the new Health Communities of Practice (CoP) that was created at the end of June 2017. This is going to see the Chapter collaborate with a number of health institutions in SA (including the New RAH, Women's and Children's Hospital, and SA Health) with the ultimate goal of professionalising project management in the health sector and potentially grow the Chapter membership.

Over the next year we will continue to grow and improve our event offerings, with highlights including the annual Project Management Showcase (now in its 16th year) which, this year, will see the inclusion of the Project Management Achievement Awards (PMAA) incorporated into the Showcase as a formal sit down lunch.

Elena Zagorenko MAIPM CPPD
South Australian Chapter President

Megan Galpin
Member Relations Officer
South Australian Chapter

South Australian Chapter Councillors

| | | | |
|---|---|---|---|
| Elena Zagorenko MAIPM CPPD President | Marcus Goddard MAIPM CPPD Councillor | Edward Johnstone MAIPM CPPM Councillor | Brenton Scroop MAIPM CPPM Councillor |
| Craig Rigg MAIPM CPPD Vice President | Brad Hajek MAIPM CPPD Councillor | Lesleigh Ross MAIPM CPPM Councillor | Ashok Thaper MAIPM CPPM Councillor |
| David Farwell FAIPM CPPD Treasurer | Karen Hughes MAIPM CPPM Councillor | Angelo Rossi MAIPM Councillor | Anthony Wood MAIPM CPPD Councillor |

MEMBERSHIP GRADE

| | | | |
|-----------------|------------|--------------|---|
| Honorary Fellow | 0 | 0.0% | |
| Life Fellow | 0 | 0.0% | |
| Fellow | 8 | 1.1% | |
| Member | 577 | 81.4% | > |
| Associate | 69 | 9.7% | |
| Affiliate | 24 | 3.4% | |
| Student | 31 | 4.4% | |
| Total | 709 | | |



CERTIFICATION GRADE

| | | | |
|--------------|------------|--------------|---|
| CPPE | 4 | 1.3% | |
| CPPD | 72 | 23.6% | |
| CPSPM | 2 | 0.7% | |
| CPPM | 185 | 60.7% | > |
| CPPP | 42 | 13.8% | |
| Total | 305 | | |



GENDER

| | | | |
|---------------|------------|--------------|---|
| Female | 134 | 18.9% | |
| Male | 573 | 80.8% | > |
| Not Specified | 2 | 0.3% | |
| Total | 709 | | |



Chapter report - Tasmania

This year the Tasmanian Chapter has delivered a Professional Development Program which included topics dealing with the challenges of managing projects in remote areas with a focus on Antarctica, stakeholder outrage management and collaborating to deliver multi-agency projects. We welcomed the Tasmanian Government as a Gold corporate member and look forward to working with AIPM's National Office to deliver professional development for Tasmanian Government project managers.

Our Chapter continues to be a strong advocate for project management professionalism in our State. The Tasmanian Chapter values diversity and indeed women hold a number of key leadership roles within our Chapter. We continue to attract large numbers of non-members to our events, which are well advertised through a wide range of channels.

This outstanding result was achieved despite the challenges faced with our Member Relations Officer (MRO) role being vacant for six months. In July 2017 we welcomed Nadine Cove to the role, just in time to help us plan a successful Project Management Achievement Awards (PMAA) gala event in August 2017. In the first half of the year our Chapter Councillors, with the assistance of the Victorian Chapter's MRO, Olimpia Watkins, worked extra hard and put in many hundreds of volunteer hours to ensure we continued to deliver a diverse events program and facilitated some great networking opportunities and site visits.

In 2017/2018 our goals will be to strengthen corporate relationships and administrative arrangements for the Chapter to sustain a strong presence in Tasmania. We will continue to advocate for professional support and recognition for project managers in regional areas - the unsung heroes working on the front line to deliver projects that benefit local communities. As regional Australians, we face barriers to accessing services and opportunities. It is critical we promote our strengths and project successes, leverage collaborative arrangements, share learnings and lobby for access to services for our members. We are committed to making the local 2018 PMAA program a comprehensive celebration of excellence and a great learning and sharing opportunity for participants. We will continue to present an exciting and relevant range of professional development and networking events for our members and guests.

Rebecca Greenwood MAIPM CPPM
Tasmanian Chapter President

Beverley Jefferson
Member Relations Officer
Tasmanian Chapter

Tasmanian Chapter Councillors

Rebecca Greenwood
MAIPM CPPM
President

Maria Skillern
FAIPM
Vice President;
Fellow

Maria Dalla-Fontana
MAIPM
Councillor

Choong Han Chu
MAIPM
Councillor

Kelsey Timms
AAIPM
Councillor

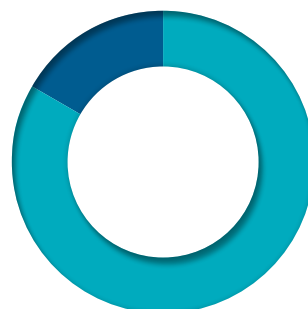
Nerida Plumpton
MAIPM
Treasurer

Andrew Fowler
MAIPM
Councillor

Barnaby Heaton
MAIPM CPSPM
Councillor

MEMBERSHIP GRADE

| | | | |
|-----------------|------------|--------------|---|
| Honorary Fellow | 0 | 0.0% | |
| Life Fellow | 0 | 0.0% | |
| Fellow | 5 | 3.6% | |
| Member | 117 | 83.6% | > |
| Associate | 9 | 6.4% | |
| Affiliate | 2 | 1.4% | |
| Student | 7 | 5.0% | |
| Total | 140 | | |



CERTIFICATION GRADE

| | | | |
|--------------|-----------|--------------|---|
| CPPE | 0 | 0.0% | |
| CPPD | 9 | 28.1% | |
| CPSPM | 1 | 3.1% | |
| CPPM | 19 | 59.4% | > |
| CPPP | 3 | 9.4% | |
| Total | 32 | | |



GENDER

| | | | |
|---------------|------------|--------------|---|
| Female | 38 | 27.1% | |
| Male | 102 | 72.9% | > |
| Not Specified | 0 | 0.0% | |
| Total | 140 | | |



Chapter report - Victoria

The 2016/2017 financial year saw the AIPM Victorian Chapter act on a key mandate from our members, which was to increase engagement with local businesses, government and our membership base. Our volunteer Councillors worked tirelessly across the year to put these strategic goals into action, and the result was positive, with increased attendance at our events and direct contact with many local organisations. Collaboration with alliance partners and sponsoring organisations also proved successful, as these industry relationships help endorse the value of PM professionalism to wider audiences.

Concern for our future PMs and the PM research agenda saw involvement with Victorian-based universities that provide tertiary level professional training. This included presentations to students, participation in orientation sessions and discussions about useful research.

One new initiative during the year that was well received was a special Strategic PM seminar series. The series looked particularly at the formation stages of projects and their governance. Each seminar featured a visiting international keynote presenter who is undertaking industry research in the area.

With the increasing complexity of project environments and the continuing concern about project outcomes, a similar series is now being planned for next year. Broadening the ambit of project management and its relationship with other areas of corporate management was another key theme for the year that will be further pursued.

Site visits and case studies were again popular with our constituents. The range of projects included transport and utility infrastructure, buildings, industrial plant and service operations.

The Chapter's Communities of Practice were active with efforts to expand operations into national communities, with some members involved in the pilot PMO Community. The recently formed Local Government group has continued to thrive, with over 20 participating municipalities.

A highlight of the year was the annual industry dinner featuring the Victorian Project Management Achievement Awards. A wide field of projects and programs was recognised, with several going on to win national awards.

Individual membership numbers for the Chapter were slightly up on the previous year, as was the number of Corporate members. The number of members with Professional Certification was also up across all grades, with the biggest increase in the CPPP category.

Overall the Chapter enjoyed a very successful year, with plans for even greater success next year. The AIPM National Conference, being held in Melbourne in October 2017, will certainly add to this momentum.

Michael Ratcliffe FAIPM
Victorian Chapter President

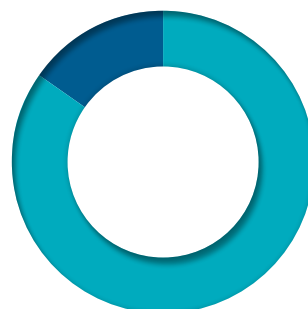
Olimpia Watkins
Member Relations Officer
Victorian Chapter

Victorian Chapter Councillors

| | | | | |
|--|---|--|---|---|
| Michael Ratcliffe FAIPM President | Sahil Bhasin MAIPM CPPM Councillor | Chris Latcham MAIPM CPPD Councillor | Victor Ratnieks MAIPM Councillor | Peter Winter MAIPM CPPM Councillor |
| Nick Massie FAIPM Vice President | David Kernke MAIPM CPPM Councillor | Frank Mancuso MAIPM Councillor | Tim Swain MAIPM CPPD Councillor | Gary Yorke FAIPM CPPM Councillor; Fellow |
| Connie Beck MAIPM CPPD Councillor | | | | |

MEMBERSHIP GRADE

| | | |
|-----------------|--------------|--------------|
| Honorary Fellow | 0 | 0.0% |
| Life Fellow | 2 | 0.1% |
| Fellow | 15 | 0.8% |
| Member | 1,517 | 84.9% |
| Associate | 150 | 8.4% |
| Affiliate | 39 | 2.2% |
| Student | 63 | 3.5% |
| Total | 1,786 | |



CERTIFICATION GRADE

| | | |
|--------------|------------|--------------|
| CPPE | 19 | 3.1% |
| CPPD | 173 | 27.8% |
| CPSPM | 2 | 0.3% |
| CPPM | 343 | 55.1% |
| CPPP | 85 | 13.7% |
| Total | 622 | |



GENDER

| | | |
|---------------|--------------|--------------|
| Female | 384 | 21.5% |
| Male | 1,398 | 78.3% |
| Not Specified | 4 | 0.2% |
| Total | 1,786 | |



Chapter report - Western Australia

AIPM's Western Australia Chapter has had an exciting but challenging 12 months. We started the year with our Project Management Achievement Awards (PMAA) Gala dinner, with the goal of attracting in excess of 100 delegates – we are delighted to report that 125 attended. This was far in excess of previous years and was a great success. The aim is, of course, to improve on that number in the 2017/2018 financial year.

Despite the ongoing challenging employment environment in Western Australia we have managed to limit our membership loss; with the committee focusing on delivering quality seminars, site visits and advanced practice workshops. Listening to our members we varied the format of sessions, undertaking our ever-popular breakfast seminars, and introduced evening cheese and wine events to the calendar.

We have broadened our engagement, signing a memorandum of understanding with the Institute of Public Works Engineers Australia and undertaken joint events with Australian Institute of Builders and Consult Australia. Engagement with these and other membership organisations has been very positive and we are building strong and long-lasting relationships, enabling members to network with complementary professions, whilst we offer more variety in our calendar and build brand awareness.

We have built stronger relationships with local universities and we are committed to encouraging emerging project professionals to join us. We will be stepping up our engagement with students and those new to project management in the coming year.

We thank Lee Armstrong, who stepped down during the year, for his contribution to Council. We also welcomed three new members to the Chapter Council – senior project managers Peter Yeomans, Geoff Zimmer and Dr Keith O'Shea adding a greater depth of knowledge to council.

We close the year with 746 members, which is a small decline on last year's closing number and an indication of the tough economic times being experienced across all industry sectors in the west. Our goal is to provide value and purpose through certification and other member benefits to retain our current membership numbers.

Keith Chidley MAIPM
Western Australia Chapter President

Martine Peasley AAIPM
Member Relations Officer
Western Australia Chapter

Western Australian Chapter Councillors

Keith Chidley
MAIPM CPPE
President

Lee Armstrong
MAIPM
Councillor

Gary Hatfield
MAIPM CPPD
Councillor

Peter Tilley
MAIPM
Councillor

Phil Harlow
FAIPM CPPE
Vice President

Glenn Clarke
MAIPM
Councillor

Dr Keith O'Shea
MAIPM CPPD
Councillor

Geoff Zimmer
MAIPM CPPD
Councillor

Ian Nichol
MAIPM CPPE
Treasurer

Reece Dempster
AAIPM CPPM
Councillor

**Michael
Somerville-Brown**
AAIPM CPPD
Councillor

MEMBERSHIP GRADE

| | | | |
|-----------------|------------|--------------|---|
| Honorary Fellow | 0 | 0.0% | |
| Life Fellow | 1 | 0.1% | |
| Fellow | 5 | 0.7% | |
| Member | 584 | 78.3% | > |
| Associate | 94 | 12.6% | |
| Affiliate | 23 | 3.1% | |
| Student | 39 | 5.2% | |
| Total | 746 | | |



CERTIFICATION GRADE

| | | | |
|--------------|------------|--------------|---|
| CPPE | 3 | 1.6% | |
| CPPD | 55 | 28.5% | |
| CPSPM | 1 | 0.5% | |
| CPPM | 107 | 55.4% | > |
| CPPP | 27 | 14.0% | |
| Total | 193 | | |



GENDER

| | | | |
|---------------|------------|--------------|---|
| Female | 98 | 13.1% | |
| Male | 647 | 86.7% | > |
| Not Specified | 1 | 0.1% | |
| Total | 746 | | |



Directors' Report

Your Directors present this report together with the consolidated financial report of Australian Institute of Project Management (the "Group"), being the company and its controlled entity for the financial year ended 30 June 2017.

Principal Activities, Objectives and Strategies

The principal activities of the group during the financial year were to deliver our membership value proposition through a combination of information and networking events, certification, workshops and course endorsement. These principal activities assist in the achievement of the Australian Institute of Project Management's objectives by providing benefits and services to our members and the wider project management community.

There was no significant change in the nature of the activities during the year and the operations are in accordance with the Constitution. The group's financial report has been prepared in accordance with the Corporations Act 2001, Corporate Regulations 2001 and Australian Accounting Standards.

In order to meet its above-mentioned long term objectives, the group continues with AIPM's Strategy 2015-2020, officially launched at the 2015 Annual General Meeting. The Strategy is focused on 4 Strategic Pillars that centre on Membership, Corporate Partnerships, Professional Advancement and Information, Innovation and Influence.

To meet the group's short term objectives, the group will continue to:

- Emphasise member and Corporate member retention and satisfaction as a first priority;
- Place emphasis on increasing the number of Certified members;
- Increase the portfolio of professional development seminars, workshops and activities both face-to-face and online;
- Strive to improve our financial position; and
- Benchmark our standards against our international counterparts and industry best practice.

**NO MATTER HOW GOOD THE TEAM
OR HOW EFFICIENT THE METHODOLOGY,
IF WE'RE NOT SOLVING THE RIGHT PROBLEM,
THE PROJECT FAILS**

Financial Results

A deficit before income tax of \$178,382 was achieved for the 2017 financial year, compared to a surplus before income tax of \$140,077 in the 2016 financial year. Total Members' Funds at year end was a negative \$118,590 (2016: positive \$59,792). There is no income tax payable for the 2017 year.

Dividends

Being limited by guarantee, Australian Institute of Project Management does not pay dividends.

Review and Result of Operations

The group's performance is assessed by the AIPM Board at their scheduled Board meetings held during the year. Forecast reviews are presented and discussed as to the progress between budget and actual results achieved. The Audit and Risk Committee also reviews the results of operations prior to recommendations made to the AIPM Board for their consideration.

Total revenue from operating activities for the year amounted to \$4,757,980, primarily from individual and Corporate member fees 54%, National Conference, Chapter Showcases and Project Management Achievement Awards 17%, certification 14%, sponsorship and advertising 8%, seminars and forums 4%, and endorsement and licence fees 3%.

Total expenditure from operating activities for the year amounted to \$4,948,201, was primarily on employee expenses 42%, direct cost of provision of services 36%, governance and administration 22%.

Likely Developments

Likely developments in the operations of the Australian Institute of Project Management, and the expected results of those operations in future financial years, have not been included in this report, but are disclosed in the CEO and Chair report.

Environmental Issues

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Events after the Reporting Period

AIPM will be moving national office premises in mid-November 2017 following the conclusion of its current 7.5 year lease which expires 31 December 2017. To enable this move AIPM has executed new lease documents and an associated bank guarantee. Refer to Note 20 of the Financial Statements. No other events have arisen since balance date.

Continuing members of the AIPM Board at the date of this report are Trevor Alex FAIPM CPPD, David Bryant MAIPM CPPD, David McGuire MAIPM, Michael King FAIPM CPPD, Nicole Nader MAIPM CPPM, Mark Patch MAIPM CPPD, Leh Simonelli FAIPM CPPD and Michael Young FAIPM CPPD.

Auditor's Indemnification

AIPM has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of the group or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurrent as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

Directors' Report

Directors' qualifications, experience and special responsibilities



Lehi Simonelli

FAIPM / FAPM(UK) / CPPD
IPMA 4-L-C First assessor
AHRI Certified Professional
Doctor of Philosophy (Candidate)

Leh joined AIPM in 1999 and is Managing Director of iPM Group Pty Limited.

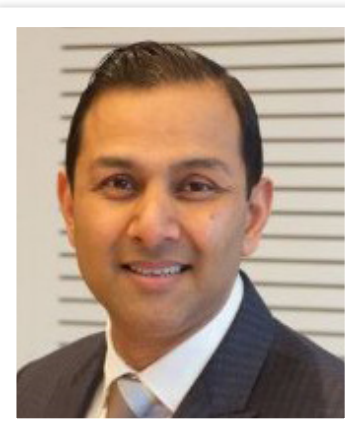
Leh's experience spans a 34-year period within the human resources, project management, education, training and development fields.

Leh holds formal qualifications in project management, management, leadership, assessment and education. He is an endorsed PMO assessor and an IPMA assessor. Leh has been actively involved in AIPM as Victorian Chapter President (2008), Chair of the Professional

Development Council (2009 – 2015), IPMA CVMB Board member (2012- Present), and was a National Director previously from 2010 -2013. Leh was appointed as National President (now AIPM Chair) 13th October, 2015.

SPECIAL RESPONSIBILITIES

- AIPM Chair
- International Committee Chair
- Audit and Risk Committee Member
- Governance and Ethics Committee Member
- National Conference Committee Member



Trevor Alex

FAIPM / CPPD / IPMA First Assessor
MPM / MComm

Trevor has over 7 years experience as a Director and Board Member and over 20 years experience in project and programme management. He is currently a Managing Principal with DXC Consulting.

His professional experience includes building organisational and individual capability development, project, programme and portfolio management maturity assessments, training and advisory from Project Managers to Project Directors/Sponsors across industry. In February

2010 he was appointed an Adjunct Fellow at Victoria University for his role in supporting and rewarding students interested in pursuing a career in project management. Trevor is a founding member of the Asia Pacific Federation of Project Management (apfpm), which has over 19 member countries.

SPECIAL RESPONSIBILITIES

- AIPM Corporate Membership sponsor
- International Committee Member



Dr David Bryant

MAIPM / CPPD / MBA / BSc

David is an experienced ICT PM professional. He has held positions with professional service companies including Partner, General Manager, Branch Manager and Delivery Manager.

He is a Lecturer at the Australian National University and has a research interest in the softer side of project management.

SPECIAL RESPONSIBILITIES

- Information, Innovation & Influence Sponsor
- Audit and Risk Committee Member



Michael King

FAIPM / CPPD / MBA
Grad Cert PM / Cert CivEng
MAICD

Michael is a Principal Project Manager with experience in the design, documentation, and contract administration of civil and building projects across private, Federal, State and Local Government capital works programmes and projects.

As a project professional, his experience in Government also includes the development of Project Management Frameworks for professional skillset development in project delivery. Michael's project background includes the delivery of Defence infrastructure projects in Tasmania and Aid projects in South East Asia.

SPECIAL RESPONSIBILITIES

- AIPM Deputy Chair
- Chapter Congress Chair
- National Conference Committee Chair
- Audit and Risk Committee Member
- Governance and Ethics Committee Member
- International Committee Member
- Australian Institute of Project Management International Certification Body Pty Ltd Director

Directors' Report

Directors' qualifications, experience and special responsibilities



David McGuire

MAIPM / CPPD / GAICD / MMgt
BA / Grad Dip IR / Grad Dip Trg Dev
Dip PM / Dip Eng / Dip Plant Mgt

David has 30 years' experience in the construction and management consulting industries in client and contractor roles; the last 18 years being at a senior level. He has extensive experience as a director on major projects both in Australia and internationally across all sectors. David has worked extensively with the Federal and State Governments, Defence and the private sector in undertaking strategic and operational-level studies, as well as facilitating workshops involving senior members from Defence, Government, non-

Government agencies and key stakeholders from industry.

David is a graduate of the Australian Company Directors Course and has served on the Boards of:

- Gripfast Consulting Pty Ltd
- Johnstaff Projects Pty Ltd
- Rotary (QLD)
- RAE Museum Trust
- QLD Government's Construction Industry Expert Advisory Panel 2014

SPECIAL RESPONSIBILITIES

- AIPM Membership sponsor



Nicole Nader

MAIPM / CPPM / BSMP / DISC ADV
Dip PM Cert IV Business Excellence
Cert IV Org Self-Assessment

Nicole is an executive manager delivering organisational change and fostering professional corporate culture within large and diverse teams.

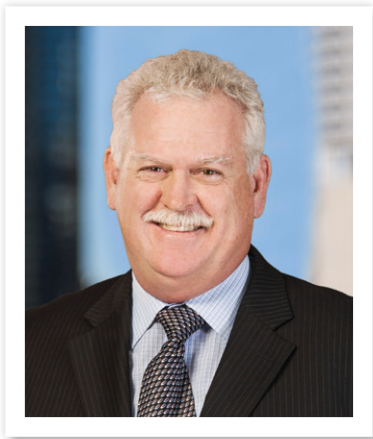
Her leadership qualities engage and motivate teams which is how she's delivered relevant and practical, strategically aligned solutions for over 15 years in the defence industry. This has involved transforming project management communities through the deployment of governance, supporting structures and team building.

Her expertise includes:

- PMO development and deployment
- Organisational design and alignment
- Strategy implementation
- Enterprise Risk and Business Continuity Management
- Business Improvement consulting
- Portfolio Management.

SPECIAL RESPONSIBILITIES

- Governance and Ethics Committee Chair
- Australian Institute of Project Management International Certification Body Pty Ltd Chair



Mark Patch

MAIPM / CPPD / MBA
BEng(Civ)Hons / FAICD / FAIM

Mark is an experienced project management consultant who specialises in project assurance and the implementation of PM methodologies to transform clients' businesses.

Mark also chairs two NFP charities and is a fellow of the AICD and AIM. Mark brings this considerable board experience and expertise to AIPM.

SPECIAL RESPONSIBILITIES

- Audit and Risk Committee Chair
- International Committee Member



Michael Young

FAIPM / CPPD / Doctor of Philosophy (PhD) (candidate)
MBA / BSc / Dip - VET, TDD & OA
AdvDip - PM & Govt Strat Proc
FAIM / FACS IPMA Level A / FAPM
MCIPS / ACS Certified Professional

Michael is a program management and portfolio management expert with extensive experience including defence, transport, banking and insurance, aviation, manufacturing, government and technology sectors.

His areas of expertise include:

- strategy and policy implementation
- enterprise portfolio management
- project and program management of large multinational projects
- IT strategic planning and investment decision-making

- Program office implementation and methodology development
- Project, program and portfolio management consulting

Adjunct Associate Professor
(University of Canberra)

SPECIAL RESPONSIBILITIES

- Professional Advancement Sponsor
- International Committee Member

Directors' Report

Directors' qualifications, experience and special responsibilities



Ian Sharpe

(Until 18 Oct 2016)

FAIPM / CPPD / 4-DM

A respected professional in the fields of leadership and capability development, Ian has worked with a wide range of global organisations as a senior advisor and executive coach on portfolio, program and project excellence; helping them build their internal capabilities through competency maturity initiatives crafted to improve governance, effective change and realised benefits. Ian has also worked with NASA's Jet Propulsion Laboratory in Pasadena, with the Office of

Safety and Mission Success' (Division 5X) leadership team on high-performance leadership and teams.

SPECIAL RESPONSIBILITIES

- Corporate Partnership Committee Chair

**THE 'P' IN PROJECT
MANAGEMENT IS AS MUCH
ABOUT THE PEOPLE AS IT IS
THE PROJECT**

Directors' Interests and Benefits

As AIPM is limited by guarantee, none of the Directors holds an interest in the group but each, as a member of the group, is liable to the extent of their undertaking under the AIPM Constitution.

During or since the end of the financial year, AIPM 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 AIPM other than conduct involving a wilful breach of duty in relation to AIPM. Premiums were paid for each of the Directors listed on pages 46-50. The insurance contract entered into by AIPM prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

AIPM's Constitution allows for the inclusion of indemnities in favour of persons who are or have been a Director or officer of AIPM. To the extent permitted by law, AIPM indemnifies every person who is or has been a Director or officer against any liability to any person incurred while acting in that capacity in good faith, and against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Payment to the Directors and to entities from which the Directors may benefit for services by the Directors or entities are disclosed in Notes 16 and 17 to the Financial Statements.

No other Directors of AIPM, during or since the end of the financial year, received or have become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors disclosed in Notes 16 and 17 to the Financial Statements) by reason of a contract made by AIPM or of a related body corporate with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of those proceedings.

The group was not a party to any such proceedings during the year.

Attendance at Directors' Meetings

During 2017 financial year attendance by individual Directors at meetings was as set out in the table on the next page.

Directors' Report

| NAME | DATE APPOINTED/ CESSATION | BOARD MEETINGS | | AUDIT & RISK MEETINGS | | GOVERNANCE & ETHICS | | INTERNATIONAL MEETINGS | |
|-----------------|------------------------------|----------------|---|-----------------------|----|---------------------|---|------------------------|---|
| | | A | B | A | B | A | B | A | B |
| Trevor Alex | 18 Oct 2016 | 4 | 4 | – | – | – | – | 4 | 4 |
| David Bryant | 8 Oct 2012 | 6 | 6 | 10 | 10 | – | – | – | – |
| Michael King | 25 Feb 2012 | 6 | 6 | 9 | 10 | 5 | 5 | 4 | 4 |
| David McGuire | 18 Oct 2016 | 4 | 4 | – | – | – | – | – | – |
| Nicole Nader | 13 Oct 2015 | 6 | 6 | – | – | 5 | 5 | – | – |
| Mark Patch | 8 Oct 2012 | 5 | 6 | 10 | 10 | – | – | 4 | 4 |
| Ian Sharpe | 13 Oct 2013 - 18 Oct 2016 | 2 | 2 | – | – | – | – | – | – |
| Leh Simonelli * | 13 Oct 2015 | 5 | 5 | 6 | 9 | 3 | 4 | 3 | 3 |
| Michael Young | 13 Oct 2015 | 5 | 6 | – | – | – | – | 4 | 4 |

A – Number of meetings attended

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

* – Mr Simonelli has requested and obtained an approved leave of absence from the AIPM Board from 14 May 2017 to 24 September 2017.

Details of Directors' qualifications, experience and special responsibilities can be found on pages 46-50 of this report.

Liability of Members on Winding Up

The liability of members (or within one year after ceasing to be a member) on winding up is limited to an amount not exceeding \$50.

Corporate Governance

AIPM has made significant changes to its Governance processes and supporting structure. A key foundation of the change was the approval of the revised AIPM Constitution by members at the Annual General Meeting held in October 2015 and AIPM is in the second year of the accompanying transition plan.

The group has undertaken a total review of all underpinning Governance documents for the Board and the Board Committees. Copies of the AIPM Constitution, Board Charter, Board Committee and Congress and Chapter Council Charters are available on the AIPM website – www.aipm.com.au. During the year AIPM has completed the AIPM Rules. These Rules

are in addition to, and supplement, provisions contained in Articles of the Constitution, which govern, regulate and affect the proceedings, powers and affairs of members and Chapter Councils.

Auditor's Independence Declaration

The Auditors' independence declaration, as required under Section 307C of the Corporations Act 2001, given to the Directors by the lead auditor of the audit undertaken by HLB Mann Judd Assurance (NSW) Pty Ltd, is set out on page 54 and forms part of the Directors' Report for the financial year ended 30 June 2017.



Michael King FAIPM CPPD
Acting Chair: Board of Directors



Mark Patch MAIPM CPPD
Chair: Audit & Risk Committee

On behalf of the Board by resolution of the Directors, as signed above.

Sydney, NSW

31 August 2017

Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Australian Institute of Project Management for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Australian Institute of Project Management and the entities it controlled during the period.

Sydney, NSW
31 August 2017

A handwritten signature in black ink, appearing to read 'K L Luong'.

K L Luong
Director

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215
Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190
Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International. A world-wide organisation of accounting firms and business advisers.

Financial Statements and Notes

Consolidated Statement of Surplus or Deficit and Other Comprehensive Income for the year ended 30 June 2017

| | NOTE | 2017 \$ | 2016 (Restated) \$ |
|--|-------|--------------------|--------------------------|
| REVENUE | | | |
| Membership fees | | 2,555,963 | 2,464,059 |
| Magazine subscriptions & advertising | | 119,721 | 86,859 |
| Conference & showcase fees | | 733,733 | 477,620 |
| Seminars & forum fees | | 197,891 | 220,834 |
| Project Management Achievement Awards | | 60,241 | 79,196 |
| Sponsorship | | 278,036 | 170,567 |
| Registered Project Manager (RegPM) program | | 597,398 | 258,084 |
| International Project Management Assoc. (IPMA) program | | 54,062 | 32,490 |
| Project Management Office (PMO) income | | 2,114 | 21,140 |
| Licence fees | | 64,838 | 59,366 |
| Endorsement fees | | 84,247 | 82,313 |
| Other income | | 9,736 | 94,538 |
| Total revenue from operating activities | | 4,757,980 | 4,047,066 |
| EXPENSES | | | |
| Employee expenses | 11(a) | (2,065,405) | (1,651,196) |
| Event & conference expenses | | (1,096,878) | (800,624) |
| Publication expenses | | (319,415) | (288,641) |
| Certification expenses | | (356,139) | (84,842) |
| Premises expenses | | (172,445) | (156,285) |
| IT & telecommunications expenses | | (249,897) | (167,086) |
| Travel & accommodation expenses | | (99,157) | (136,445) |
| Consultants expenses | | (49,157) | (93,375) |
| Promotion & advertising expenses | | (38,192) | (44,821) |
| Printing, postage & stationery | | (136,371) | (79,185) |
| Administration expenses | | (237,645) | (292,290) |
| Depreciation & amortisation | | (127,500) | (126,895) |
| Total expenses from operating activities | | (4,948,201) | (3,921,685) |
| Results from operating activities | | (190,221) | 125,381 |
| FINANCE INCOME | | | |
| Interest income | | 11,879 | 14,696 |
| Finance costs | | (40) | - |
| Net finance income | | 11,839 | 14,696 |
| (Deficit) surplus before income tax | | (178,382) | 140,077 |
| Income tax expense | 3(a) | - | - |
| (Deficit) surplus for the year | | (178,382) | 140,077 |
| Total comprehensive income for the year | | (178,382) | 140,077 |

/ 55

The Notes are an integral part of these consolidated financial statements.

Financial Statements and Notes

Consolidated Statement of Financial Position as at 30 June 2017

| | NOTE | 2017 \$ | 2016 (Restated) \$ |
|---|------|------------------|--------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,806,905 | 1,434,044 |
| Trade and other receivables | 5 | 109,291 | 92,327 |
| Prepayments | | 129,854 | 199,396 |
| Other financial assets | 6 | 69,965 | 68,246 |
| Total Current Assets | | 2,116,015 | 1,794,013 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 7 | 45,118 | 58,111 |
| Intangible assets | 8 | 136,152 | 219,411 |
| Total Non-Current Assets | | 181,270 | 277,522 |
| Total Assets | | 2,297,285 | 2,071,535 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 348,061 | 255,897 |
| Deferred revenue | 10 | 1,861,894 | 1,550,182 |
| Employee provisions | 11 | 119,620 | 88,677 |
| Other provisions | 12 | 45,420 | - |
| Total Current Liabilities | | 2,374,995 | 1,894,756 |
| NON-CURRENT LIABILITIES | | | |
| Deferred revenue | 10 | 28,708 | 50,491 |
| Employee provisions | 11 | 12,172 | 21,076 |
| Other provisions | 12 | - | 45,420 |
| Total Non-Current Liabilities | | 40,880 | 116,987 |
| Total Liabilities | | 2,415,875 | 2,011,743 |
| NET ASSETS (DEFICIENCY) | | (118,590) | 59,792 |
| MEMBERS' FUNDS | | | |
| Retained (deficits) surpluses | | (118,590) | 59,792 |
| TOTAL (DEFICIENCY OF) MEMBERS' FUNDS | | (118,590) | 59,792 |

The Notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 30 June 2017

| | NOTE | 2017 \$ | 2016 (Restated) \$ |
|--|------|------------------|--------------------------|
| MEMBERS' FUNDS | | | |
| Opening retained surpluses (deficits) | | 59,792 | (80,285) |
| Total comprehensive income for the year | | (178,382) | 140,077 |
| TOTAL (DEFICIENCY OF) MEMBERS' FUNDS | | (118,590) | 59,792 |

Financial Statements and Notes

Consolidated Statement of Cash Flows for the year ended 30 June 2017

| | NOTE | 2017 \$ | 2016 (Restated) \$ |
|---|-------------|------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members, customers and sponsors | | 5,443,701 | 4,488,821 |
| Payments to suppliers and employees | | (5,049,752) | (3,998,185) |
| Interest received | | 11,879 | 14,696 |
| Net cash flows from operating activities | 4(b) | 405,828 | 505,332 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of other financial assets | | (1,719) | (12,413) |
| Payment for plant and equipment | | (25,017) | (8,426) |
| Payment for intangible assets | | (6,231) | (7,500) |
| Net cash flows used in investing activities | | (32,967) | (28,339) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at the beginning of the year | | 1,434,044 | 957,051 |
| Cash and cash equivalents at the end of the year | 4(a) | 1,806,905 | 1,434,044 |

The Notes are an integral part of these consolidated financial statements.

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Corporate Information

The consolidated financial statements for the year ended 30 June 2017 comprise the accounts of Australian Institute of Project Management Limited (the "company") and Australian Institute of Project Management International Certification Body Pty Limited (together referred to as the "group").

The consolidated financial statements were authorised for issue in accordance with a resolution of directors on 31 August 2017. The Directors have the power to amend and reissue the financial statements.

b. Basis of Preparation

i. Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). The economic entity is a not-for-profit group.

ii. Basis of Measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

iii. 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

iv. Functional and Presentation Currency

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

v. Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business for a period of at least 12 months from the date these consolidated financial statements are approved. The Directors note the following conditions which they have considered in assessing the appropriateness of the going concern assumption:

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Going Concern (continued)

- The group reported a deficit before income tax of \$178,382 for the year ended 30 June 2017 (2016: surplus \$140,077), generated net cash inflows from operations of \$405,828 (2016: \$505,332), and had a deficiency in net current assets of \$258,980 (2016: \$100,743) and a deficiency in net assets of \$118,590 (2016: positive net assets \$59,792) at year end.
- The deficiency in net current assets was caused by current liabilities exceeding current assets. Deferred revenue for membership fees, certification and licence fees, events and sponsorship comprise 78% (2016: 82%) of current liabilities. Deferred revenue represents a liability for services not yet performed as distinct from a liability for unpaid amounts. It is group policy that membership and certification fees are not refunded. The Directors believe that the accountability surrounding the application of the refund policy is such that any future financial obligation is mitigated.
- The financial statements are prepared on a going concern basis as the group's cash flow forecast indicates it will remain cash positive until 31 August 2018. Included in the forecast is the acquisition of new corporate sponsorships (\$150,000), the acquisition of new corporate certifications and international certifications (\$119,000), the acquisition of new corporate members (\$117,000) and the roll out of new professional development workshops (\$118,000). The Directors believe the group will be successful in the activities noted above. The ability of the group to continue as a going concern for the foreseeable future is dependent on the abovementioned activities. These conditions give rise to a material uncertainty

which may cast significant doubt over the group's ability to continue as a going concern.

- Should the group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the group be unable to continue as a going concern and meet its debts as and when they fall due.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

c. Basis of Consolidation

Subsidiaries are entities controlled by the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

The consolidated financial statements comprise the aggregated accounts of Australian Institute of Project Management Limited and its subsidiary, Australian Institute of Project Management International Certification Body Pty Limited. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- d. **Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives to the group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and methods used for each class of depreciable assets are:

| CLASS OF FIXED ASSET | DEPRECIATION RATE | DEPRECIATION METHOD |
|-----------------------------|--------------------------|----------------------------|
| Leasehold improvements | 13.3% | Straight-line |
| Computer equipment | 50.0% | Diminishing value |
| Office equipment | 20.0% | Straight-line |
| Office furniture | 20.0% | Diminishing value |

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

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

Gains or losses on disposals are determined by comparing proceeds with carrying amounts. These gains or losses are recognised in profit or loss in the period in which they arise.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Intangible assets

Software

Expenditure on software has been capitalised when the software was operational and able to derive future economic benefits and when these benefits are reliably measured.

Software is amortised using straight-line method over its estimated useful life of 5 years.

Website

Expenditure on major website development has been capitalised when the website was operational and able to derive future economic benefits and when these benefits are reliably measured.

Website costs are amortised using straight-line method over its estimated useful life of 5 years.

AIPM standards

Legal expenditure incurred during the initial phase of revising the AIPM Standards is recognised as an expense when incurred. Legal costs are amortised only when standards have been implemented across all members and there is a certainty that the standards will deliver future economic benefits and these benefits can be measured reliably.

Legal costs on Standards have a finite life and are amortised on a systematic basis matched to the future economic benefits over the 5 year useful life of their implementation.

f. Impairment of assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by

comparing the recoverable amount of the asset. The recoverable amount is the value in use of the asset. As the group is a not-for-profit entity the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows. Therefore, the value in use is the depreciated replacement cost of the asset. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Employee provisions

Provision is made for the group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Provisions include the associated on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Milliman corporate discount rates with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Other provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

j. Other financial assets

Other financial assets comprise of bank term deposits with an original maturity greater than three months.

k. Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

Membership fees

Annual membership subscriptions are recognised as revenue pro rata over the period of the membership. The date of payment of the initial annual membership subscriptions runs from the date of joining for 12 to 36 months and is not refundable. Subscriptions relating to periods beyond the current financial year are shown in the consolidated statement of financial position as deferred revenue.

Membership services and other services

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

Finance income

Finance income comprises interest income on funds invested with financial institutions that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

l. Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

m. Prepayments

Prepayments for goods and services which are to be provided in future years are recognised as prepayments.

n. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. 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 Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

p. Comparative figures

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

q. Income tax

The group is assessed for income tax purposes on the Principle of Mutuality, whereby the income from members, less a proportion of expenses is exempt from income tax.

The income tax expense or benefit for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the Australian Taxation Office.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The company and its wholly-owned Australian resident entity have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Australian Institute of Project Management Limited. The member of the tax-consolidated group is Australian Institute of Project Management International Certification Body Pty Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

r. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

s. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key estimates

- i. Provision for Income Tax and Deferred Tax Assets

The group is assessed for income tax purposes under the Principle of Mutuality whereby the income from members, less a proportion of expenses, is exempt from income tax. Refer Note 1(q).

- ii. Deferred Revenue

For income received in advance, it is the policy of the group to bring income received to account within the period to which it relates, rather than the period within which it is received.

- iii. Useful lives of Intangible Assets

As described in Note 1(e) above, the group reviews the estimated useful lives of intangible assets at the end of each reporting period.

Key judgements

- i. Doubtful Debts provision

The Directors have determined the provision for doubtful debts based on their assessment of the likelihood of recoverable customer receipts.

- t. **Adoption of New and Revised Accounting Standards**

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

NOTE 2: CORRECTION OF PRIOR PERIOD ERRORS

- a. **Membership fees – Correction of error in the calculation of deferred revenue**

In prior financial years, membership subscriptions were accounted for as income using the cash received date as the anniversary date rather than being correctly accounted for as income in the period to which they relate. The effect of the correction in the 2015 financial year and prior was an increase in deferred revenue and a decrease of membership fees of \$7,228. The effect of the correction in the 2016 financial year was an increase in deferred revenue and a decrease of membership fees of \$52,610. Also, the 2016 financial year deferred revenue balance included \$50,491 that was greater than 12 months, hence, was incorrectly classified as current rather than non-current in the Consolidated Statement of Financial Position.

- b. **Office Premises Fitout – Revision of useful life**

During the year, the useful life of the office premises fitout cost capitalised in the 2011 financial year was corrected from 18 years to 7.5 years. The purpose of the change was to align the useful life of the asset with the term of the office premises lease being 7.5 years. The effect of the change in the 2015 financial year and prior was an increase in depreciation expense and a decrease in the asset's carrying value of \$48,110. The effect of the change in the 2016 financial year was an increase in depreciation expense and a decrease in the asset's carrying value of \$10,376.

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 2: CORRECTION OF PRIOR PERIOD ERRORS (continued)

c. **Office Premises Make good – Recording of provision, asset and depreciation**

The provisions of the office premises lease agreement require the restoration of the leased premises to its original condition at the termination of the lease. An estimate of the costs that will be incurred and related provision was not recognised in the prior financial year. During the year, a reliable estimate was made based on the size and fitout of the office premises. The effect of the change in the 2015 financial year and prior was a net increase in plant and equipment of \$15,140, an increase in other provisions of \$45,420 and an increase in depreciation expense of \$30,280. The effect of the change in the 2016 financial year was an increase in depreciation expense of \$6,056.

d. **Audit Fees – Recording of accrued expense**

An accrual of the 2016 audit fees was not made in the 2016 financial year. An accrual of the 2016 audit fees was made based on the amount incurred, and the effect of the change in the 2016 financial year was an increase in audit fee expense and an increase in accrued expenses of \$18,022.

e. **Security Deposit for Office Premises Bank Guarantee – Reclassifying from Cash to Other Financial Asset**

A term deposit (2016: \$68,246 and 2015: \$55,833) with a term to maturity of six months was held as a security deposit for the Office Premises Bank Guarantee in the 2016 and 2015 financial years. The term deposit was incorrectly classified as cash and cash equivalents in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. During the year, the term deposit was reclassified from cash and cash equivalents to other financial assets.

f. **Consolidated Financial Statements**

The 2016 financial statements (Note 24) incorrectly stated that the company's subsidiary, Australian Institute of Project Management International Certification Body Pty Limited, was not consolidated because it contained no material transactions during the financial year. The 2017 consolidated financial statements (and restated 2016 comparatives) comprise the aggregated accounts of Australian Institute of Project Management Limited and its subsidiary, Australian Institute of Project Management International Certification Body Pty Limited.

The 2016 financial statements have been restated to correct the above prior period errors. The following adjustments were made to the Consolidated Statement of Surplus or Deficit and Other Comprehensive Income, Consolidated Statement of Financial Position, and Consolidated Statement of Cash Flows:

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 2: CORRECTION OF PRIOR PERIOD ERRORS (continued)

| Consolidated Statement of Surplus or Deficit and Other Comprehensive Income (Extract) | NOTE | 2016 \$ | Correction of error in 2015 and prior \$ | Correction of error in 2016 \$ | 2016 (Restated) \$ |
|---|------------|------------------|--|---|--------------------------|
| Membership fees | 2(a) | 2,516,669 | - | (52,610) | 2,464,059 |
| Other revenue not restated | | 1,583,007 | - | - | 1,583,007 |
| Total revenue from operating activities | | 4,099,676 | - | (52,610) | 4,047,066 |
| Administration expenses | 2(d) | 274,268 | - | 18,022 | 292,290 |
| Depreciation & amortisation | 2(b) & (c) | 110,463 | - | 16,432 | 126,895 |
| Other expenses not restated | | 3,502,500 | - | - | 3,502,500 |
| Total expenses from operating activities | | 3,887,231 | - | 34,454 | 3,921,685 |
| Results from operating activities | | 212,445 | - | (87,064) | 125,381 |
| Net finance income | | 14,696 | - | - | 14,696 |
| Surplus (deficit) before income tax | | 227,141 | - | (87,064) | 140,077 |
| Income tax expense | | - | - | - | - |
| Surplus (deficit) for the year | | 227,141 | - | (87,064) | 140,077 |

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 2: CORRECTION OF PRIOR PERIOD ERRORS (continued)

| Consolidated Statement of Financial Position | NOTE | 2016 \$ | Correction of error in 2015 and prior \$ | Correction of error in 2016 \$ | 2016 (Restated) \$ |
|---|------------|------------------|--|---|--------------------------|
| Cash and cash equivalents | 2(e) | 1,502,290 | - | (68,246) | 1,434,044 |
| Trade and other receivables | | 92,327 | - | - | 92,327 |
| Prepayments | | 199,396 | - | - | 199,396 |
| Other financial assets | 2(e) | - | - | 68,246 | 68,246 |
| Total Current Assets | | 1,794,013 | - | - | 1,794,013 |
| Plant and equipment | 2(b) & (c) | 107,513 | (32,970) | (16,432) | 58,111 |
| Intangible assets | | 219,411 | - | - | 219,411 |
| Total Non-Current Assets | | 326,924 | (32,970) | (16,432) | 277,522 |
| Total Assets | | 2,120,937 | (32,970) | (16,432) | 2,071,535 |
| Trade and other payables | 2(d) | 237,875 | - | 18,022 | 255,897 |
| Deferred revenue | 2(a) | 1,540,835 | 7,228 | 2,119 | 1,550,182 |
| Employee provisions | | 88,677 | - | - | 88,677 |
| Total Current Liabilities | | 1,867,387 | 7,228 | 20,141 | 1,894,756 |
| Deferred revenue | 2(a) | - | - | 50,491 | 50,491 |
| Employee provisions | | 21,076 | - | - | 21,076 |
| Other provisions | 2(c) | - | 45,420 | - | 45,420 |
| Total Non-Current Liabilities | | 21,076 | 45,420 | 50,491 | 116,987 |
| Total Liabilities | | 1,888,463 | 52,648 | 70,632 | 2,011,743 |
| NET ASSETS | | 232,474 | (85,618) | (87,064) | 59,792 |
| MEMBERS' FUNDS | | | | | |
| Retained surpluses | | 232,474 | (85,618) | (87,064) | 59,792 |
| Total Members' Funds | | 232,474 | (85,618) | (87,064) | 59,792 |

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 2: CORRECTION OF PRIOR PERIOD ERRORS (continued)

| Consolidated Statement of Cash Flows (Extract) | NOTE | 2016 \$ | Correction of error in 2015 and prior \$ | Correction of error in 2016 \$ | 2016 (Restated) \$ |
|---|------|------------------|--|---|--------------------------|
| Cash flows from operating activities | | 505,332 | - | - | 505,332 |
| Cash flows from investing activities | | | | | |
| Purchase of other financial assets | 2(e) | - | - | (12,413) | (12,413) |
| Payment for plant and equipment | | (8,426) | - | - | (8,426) |
| Payment for intangible assets | | (7,500) | - | - | (7,500) |
| Net cash flows used in investing activities | | (15,926) | - | (12,413) | (28,339) |
| Net increase/(decrease) in cash and cash equivalents | | 489,406 | - | (12,413) | 476,993 |
| Cash and cash equivalents at the beginning of the year | 2(e) | 1,012,884 | (55,833) | - | 957,051 |
| Cash and cash equivalents at the end of the year | | 1,502,290 | (55,833) | (12,413) | 1,434,044 |

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 (Restated) \$ |
|--|-------------|--------------------------|
| NOTE 3: INCOME TAX EXPENSE | | |
| a. The components of income tax expense comprise: | | |
| Income tax expense | - | - |
| b. The prima facie tax on (deficit) surplus before income tax is reconciled to the income tax expense as follows: | | |
| (Deficit) surplus before income tax | (178,382) | 140,077 |
| Income tax expense calculated at 30% (2016: 30%) | (53,515) | 42,023 |
| Effect of income that is non-assessable member income arising from principle of mutuality | (985,108) | (917,105) |
| Effect of expenses that are not deductible in determining taxable profit | 1,024,035 | 864,461 |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets | 14,588 | 10,621 |
| | - | - |
| Adjustments recognised in the current year in relation to the current tax of prior years | - | - |
| Income tax expense | - | - |
| c. Unrecognised deferred tax assets | | |
| Unused tax losses for which no deferred tax assets have been recognised | (1,669,252) | (1,653,006) |

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 (Restated) \$ |
|--|------------------|--------------------------|
| NOTE 4: CASH AND CASH EQUIVALENTS | | |
| a. Reconciliation to consolidated statement of cash flows | | |
| Cash at bank and on hand | 1,761,905 | 1,389,044 |
| Secured term deposit with maturity of three months or less | 45,000 | 45,000 |
| | 1,806,905 | 1,434,044 |

Cash at bank earns interest at floating rates based on daily bank deposit rates. Secured term deposit is a fixed term bank deposit that is used as security for the corporate credit card facility.

b. Reconciliation of (Deficit) Surplus after Income Tax with Net Cash Flows from Operating Activities

| | | |
|---|------------------|----------------|
| (Deficit) surplus for the year | (178,382) | 140,077 |
| Non-cash flows | | |
| Amortisation | 89,490 | 94,529 |
| Depreciation | 38,010 | 32,366 |
| Changes in assets and liabilities | | |
| Increase in trade and other receivables | (16,964) | (20,820) |
| (Increase)/decrease in prepayments | 69,542 | (66,557) |
| Increase in trade and other payables | 92,164 | 70,345 |
| Increase in deferred revenue | 289,929 | 221,384 |
| Increase in employee provisions | 22,039 | 34,008 |
| Net cash flows from operating activities | 405,828 | 505,332 |

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 (Restated) \$ |
|--|----------------|--------------------------|
| NOTE 5: TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Trade receivables | 53,782 | 44,506 |
| Other receivables | 55,509 | 47,821 |
| | 109,291 | 92,327 |
| a. Past due but not impaired | | |
| Not past due or impaired | 21,651 | 22,150 |
| 15 to 30 days | 24,250 | 18,550 |
| 31 to 60 days | 7,018 | - |
| Over 60 days | 863 | 3,806 |
| Total trade receivables | 53,782 | 44,506 |

Trade receivables are non-interest bearing and are generally on 14 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

NOTE 6: OTHER FINANCIAL ASSETS

| | 2017 | 2016 |
|--|---------------|---------------|
| Current | | |
| Secured term deposit with maturity greater than three months | 69,965 | 68,246 |

Secured term deposit is a fixed term bank deposit that is used as security for the leased office premises bank guarantee facility.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 | 2016 |
|--------------------------------------|---------------|------------------|
| | \$ | (Restated) \$ |
| NOTE 7: PLANT AND EQUIPMENT | | |
| Non-Current | | |
| Leasehold improvements at cost | 160,160 | 187,490 |
| Less accumulated depreciation | (149,483) | (151,008) |
| | 10,677 | 36,482 |
| Office equipment & furniture at cost | 62,232 | 277,177 |
| Less accumulated depreciation | (27,791) | (255,548) |
| | 34,441 | 21,629 |
| Total plant and equipment | 45,118 | 58,111 |

| Movements in Carrying Amounts | Leasehold improvements | Office equipment & furniture | Total |
|---|---------------------------|------------------------------------|---------------|
| | \$ | \$ | \$ |
| Carrying amount at the beginning of the year (Restated) | 36,482 | 21,629 | 58,111 |
| Additions | - | 25,017 | 25,017 |
| Depreciation expense | (25,805) | (12,205) | (38,010) |
| Carrying amount at the end of the year | 10,677 | 34,441 | 45,118 |

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 (Restated) \$ |
|--|----------------|--------------------------|
| NOTE 8: INTANGIBLE ASSETS | | |
| Non-Current | | |
| Software at cost | 284,650 | 425,015 |
| Less accumulated amortisation | (228,303) | (319,205) |
| | 56,347 | 105,810 |
| Website at cost | 149,106 | 221,528 |
| Less accumulated amortisation | (74,409) | (116,552) |
| | 74,697 | 104,976 |
| AIPM Standards at cost | 15,879 | 162,369 |
| Less accumulated amortisation | (10,771) | (153,744) |
| | 5,108 | 8,625 |
| AIPM professional workshop (WIP) at cost | - | 18,539 |
| Less accumulated amortisation | - | (18,539) |
| | - | - |
| Total intangible assets | 136,152 | 219,411 |

| Movements in Carrying Amounts | Software \$ | Website \$ | AIPM Standards \$ | AIPM professional workshop (WIP) \$ | Total \$ |
|---|----------------|---------------|-------------------------|--|----------------|
| Carrying amount at the beginning of the year (Restated) | 105,810 | 104,976 | 8,625 | - | 219,411 |
| Additions | 6,231 | - | - | - | 6,231 |
| Amortisation expense | (55,694) | (30,279) | (3,517) | - | (89,490) |
| Carrying amount at the end of the year | 56,347 | 74,697 | 5,108 | - | 136,152 |

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 (Restated) \$ |
|---|------------------|--------------------------|
| NOTE 9: TRADE AND OTHER PAYABLES | | |
| Current | | |
| Trade payables | 255,985 | 198,934 |
| Other creditors and accrued expenses | 92,076 | 56,963 |
| | 348,061 | 255,897 |
| NOTE 10: DEFERRED REVENUE | | |
| Current | | |
| Membership fees | 1,388,673 | 1,365,175 |
| Certification and licence fees | 358,688 | 111,475 |
| Event fees and sponsorship | 114,533 | 73,532 |
| | 1,861,894 | 1,550,182 |
| Non-Current | | |
| Membership fees | 28,708 | 50,491 |

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 (Restated) \$ |
|---|------------------|--------------------------|
| NOTE 11: EMPLOYEE PROVISIONS | | |
| Current | | |
| Annual leave | 104,769 | 88,677 |
| Long service leave | 14,851 | - |
| | 119,620 | 88,677 |
| Non-Current | | |
| Long service leave | 12,172 | 21,076 |
| a. Employee expenses | | |
| Salary and wages | 1,791,507 | 1,415,401 |
| Superannuation | 166,142 | 134,871 |
| Annual leave | 16,092 | 35,945 |
| Long service leave | 5,947 | (1,938) |
| Payroll tax | 58,363 | 42,310 |
| Other employee expenses | 27,354 | 24,607 |
| Total employee expenses | 2,065,405 | 1,651,196 |
| b. Number of employees at year end (FTE) | 20 | 19 |
| NOTE 12: OTHER PROVISIONS | | |
| Current | | |
| Office premises make good provision | 45,420 | - |
| Non-Current | | |
| Office premises make good provision | - | 45,420 |

The provisions of the office premises lease agreement require the restoration of the leased premises to its original condition at the termination of the lease. A reliable estimate of the costs that will ultimately be incurred was made based on the size and fitout of the office premises.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

| | 2017 \$ | 2016 \$ |
|--|----------------|----------------|
| NOTE 13: OPERATING LEASES | | |
| a. Commitments under non-cancellable operating leases | | |
| Not later than 1 year | 91,771 | 153,247 |
| Later than 1 year but not later than 5 years | 40,237 | 114,458 |
| | 132,008 | 267,705 |

Operating leases are in respect of office premises and office equipment rental in Sydney. The operating lease for the Sydney office premises is for fixed period of 7.5 years with fixed rental payments and has fixed escalation clauses of 5.0% each year. There are no restrictions placed on the lessee by entering into these leases. Refer also to Note 20.

| | | |
|--|----------------|----------------|
| b. Operating leases expenditure | | |
| Operating lease rental expense included in premises expenses | 149,967 | 142,151 |
| Operating lease rental expense included in printing, postage & stationery expenses | 18,110 | 16,615 |
| Operating lease rental expense included in administrative expenses | 3,900 | 4,680 |
| | 171,977 | 163,446 |

NOTE 14: REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by the auditor HLB Mann Judd Assurance (NSW) Pty Limited (2016: Accru Felsers).

| | | |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | 22,500 | 27,988 |
| Taxation services | 3,000 | 4,130 |
| | 25,500 | 32,118 |

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 15: MEMBERS' GUARANTEE

Every member of the Australian Institute of Project Management 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 fifty dollars (\$50) per member.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 16: KEY MANAGEMENT PERSONNEL

All directors and senior management, noted below, are key management personnel.

a. Directors

The names of directors in office during the financial year or as at the date of this report are as follows:

| Director | Title | Appointed/Resigned |
|---------------|--------------|---|
| Trevor Alex | Director | Appointed 18 October 2016 |
| David Bryant | Director | Appointed 8 October 2012 |
| Michael King | Deputy Chair | Appointed 25 February 2012 |
| David McGuire | Director | Appointed 18 October 2016 |
| Nicole Nader | Director | Appointed 13 October 2015 |
| Mark Patch | Director | Appointed 8 October 2012 |
| Ian Sharpe | Director | Appointed 13 October 2013 Resigned 18 October 2016 |
| Leh Simonelli | Chair | Appointed 13 October 2015 |
| Michael Young | Director | Appointed 13 October 2015 |

b. Senior Management

| Senior Manager | Title | Appointed/Resigned |
|--------------------------|--|--|
| Yvonne Butler | Chief Executive Officer & Company Secretary | Appointed 15 September 2014 |
| Andrew Madry | Chief Operating Officer | Appointed 11 January 2016 |
| David Chahrozian | Chief Financial Officer | Appointed 10 April 2017 |
| Louise Lloyd | National Manager Professional Advancement | Appointed 18 May 2017 |
| Jannene Stephens-Roberts | National Manager Membership and Events | Appointed 7 December 2015 |
| Michael Martin | National Manager Strategic Engagement | Appointed 10 June 2014 |
| David Williams | National Manager Professional Advancement | Appointed 29 August 2016 Resigned 9 December 2016 |

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 16: KEY MANAGEMENT PERSONNEL (continued)

c. Compensation of Key Management Personnel

i. Director Compensation

The non-executive Directors of the company are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly in their capacity as a Director of the group or any related party. Non-executive Directors are reimbursed for travel and accommodation expenses incurred for performing their duties as a Director.

Transactions with Directors and their related parties have been under the company's normal terms and conditions of trading.

Related party transactions during the financial year are in Note 17.

ii. Senior Management Compensation

The company aims to reward senior management with a level of compensation commensurate with their position, responsibilities and delivery so as to:

- recognise senior management for the company, functional area and individual performance against targets set to appropriate benchmarks;
- link salary with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards within the company's funding capability.

The compensation paid to key management personnel during the year are as follows:

| Compensation by category | 2017 \$ | 2016 \$ |
|---------------------------------|--------------------|--------------------|
| Short-term benefits | 721,564 | 516,075 |
| Post-employment benefits | 65,988 | 45,069 |
| Other long-term benefits | 4,738 | - |
| | 792,290 | 561,144 |

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 17: RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the group and other related parties are disclosed below.

a. Director Transactions

A number of Directors, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

A number of these entities transacted with the group during the year. The terms and conditions of the transactions with Directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to Directors and entities over which they have control or joint control were as follows:

| Director | Transaction | Note | Transaction values year ended 30 June | | Balance outstanding as at 30 June | |
|---|--|------|---------------------------------------|---------------|-----------------------------------|----------|
| | | | 2017 | 2016 | 2017 | 2016 |
| Trevor Alex | RegPM assessment fees & IPMA assessor fees | i | 32,598 | 1,409 | 2,330 | - |
| Leh Simonelli | RegPM assessment fees & IPMA assessor fees | ii | 26,336 | 14,440 | - | - |
| Ian Sharpe (Retired 18 October 2016) | IPMA assessor fees | iii | 2,390 | 1,650 | - | - |
| Michael Young | RegPM assessment fees & endorsed course audit fees | iv | 2,670 | 1,250 | - | - |
| Mark Patch | RegPM assessment fees | v | 1,310 | - | - | - |
| Total | | | 65,304 | 18,749 | 2,330 | - |

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 17: RELATED PARTY TRANSACTIONS (continued)

- i. The group used the consulting services of Trevor Alex in relation to the assessment of candidates under the RegPM and IPMA certification programs. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.
- ii. The group used the consulting services of iPM Group Pty Ltd, a company controlled by Leh Simonelli, in relation to the assessment of candidates under the RegPM and IPMA certification programs. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.
- iii. The group used the consulting services of Ian Sharpe, trading as Bydand Consulting, in relation to the assessment of candidates under the IPMA certification program. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.
- iv. The group used the consulting services of Transformed Pty Ltd, a company controlled by Michael Young, in relation to the assessment of candidates under the RegPM certification program and the audit of courses for endorsement. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.
- v. The group used the consulting services of Jeanmar Pty Ltd, a company controlled by Mark Patch, in relation to the assessment of candidates under the RegPM certification program. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

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NOTE 18: PARENT ENTITY INFORMATION

As at, and throughout the financial year ended 30 June 2017 the parent entity of the group was Australian Institute of Project Management. The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the group.

Financial Statements and Notes

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 18: PARENT ENTITY INFORMATION (continued)

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | (Restated) \$ |
| FINANCIAL PERFORMANCE | | |
| Surplus (deficit) for the year | (174,955) | 148,411 |
| Total comprehensive income for the year | (174,955) | 148,411 |
| FINANCIAL POSITION | | |
| Assets | | |
| Current Assets | 2,129,720 | 1,793,451 |
| Non-current Assets | 181,270 | 277,522 |
| Total Assets | 2,310,990 | 2,070,973 |
| Liabilities | | |
| Current Liabilities | 2,378,135 | 1,887,056 |
| Non-current Liabilities | 40,880 | 116,987 |
| Total Liabilities | 2,419,015 | 2,004,043 |
| NET ASSETS (DEFICIENCY) | (108,025) | 66,930 |
| Members' Funds | | |
| Retained surpluses (deficits) | (108,025) | 66,930 |
| TOTAL (DEFICIENCY OF) MEMBERS' FUNDS | (108,025) | 66,930 |

The parent entity reported a deficit before income tax of \$174,955 for the year ended 30 June 2017 (2016: surplus \$148,411), had a deficiency in net current assets of \$248,415 (2016: \$93,605) and a deficiency in net assets of \$108,025 (2016: positive net assets \$66,930) at year end. Refer to Note 1(b)(v).

Notes to the Financial Statements for the year ended 30 June 2017

NOTE 19: SUBSIDIARY

Details of the group’s subsidiary at the end of the reporting period are as follows:

| Name of subsidiary | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held by the group | |
|---|--|--------------------------------------|---|------|
| | | | 2017 | 2016 |
| Australian Institute of Project Management International Certification Body Pty Limited | International project management certification | Australia | 100% | 100% |

NOTE 20: EVENTS AFTER THE REPORTING PERIOD

The group’s operating lease for its current office in Sydney expires 31 December 2017. In August 2017, the group executed a new operating lease for office premises in North Sydney commencing 15 November 2017. The group has committed to a six year term with a rental of \$221,275 per annum increasing by 4.0% each year and will receive a lease incentive of \$278,807. The group has issued the landlord of the North Sydney office premises with a bank guarantee totalling \$126,475.

No other matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the group’s operations, the results of those operations or the group’s state of affairs in financial years after the financial year.

Directors' Declaration

In the opinion of the Directors of the company:

1. The consolidated financial statements and notes, as set out on pages 55-85, are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
2. 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 Board of Directors:



Michael King FAIPM CPPD
Acting Chair: Board of Directors
Dated this 31 August 2017



Mark Patch MAIPM CPPD
Chair: Audit & Risk Committee
Dated this 31 August 2017

Independent Auditor's Report



Quality Audit Services

AUSTRALIAN INSTITUTE OF PROJECT MANAGEMENT LIMITED
ABN 49 001 443 303

INDEPENDENT AUDITOR'S REPORT

To the Members of Australian Institute of Project Management:

Opinion

We have audited the financial report of Australian Institute of Project Management ("the company") and its controlled entity ("the group") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of surplus or deficit and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("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 on 31 August 2017, 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.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(b)(v) in the financial report, which indicates that the group incurred a deficit of \$178,382 during the year ended 30 June 2017 and, as of that date, the liabilities exceeded its total assets by \$118,590. As stated in Note 1(b)(v), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

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Independent Auditor's Report



AUSTRALIAN INSTITUTE OF PROJECT MANAGEMENT LIMITED
ABN 49 001 443 303

INDEPENDENT AUDITOR'S REPORT (continued)

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 2017, 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 – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 group 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 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.



AUSTRALIAN INSTITUTE OF PROJECT MANAGEMENT LIMITED
ABN 49 001 443 303

INDEPENDENT AUDITOR'S REPORT
(continued)

- 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

A handwritten signature in cursive script that reads 'HLB Mann Judd'.

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
6 September 2017

A handwritten signature in cursive script that reads 'K L Luong'.

K L Luong
Director



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