



Annual Financial Report

**PROPERTY COUNCIL OF AUSTRALIA
LIMITED**

ABN 13 008 474 422

30 June 2009

Directors' Report

For the year ended 30 June 2009

The directors present their report together with the financial report of the Property Council of Australia Limited (the Company) for the financial year ended 30 June 2009 and the auditor's report thereon.

1. Directors

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

Mr Daniel B Grollo, GAICD

Chief Executive Officer of Grocon Pty Ltd.

Mr Grollo has over 20 years experience in the property industry. Daniel became CEO of Grocon Pty Ltd, Australia's largest privately-owned development and construction company, in 1999 after joining the business in the late 1980's. Daniel is also a director of the Green Building Council of Australia and was appointed to the Board of BlueScope Steel Ltd in September 2006. Daniel is the current National President of the Property Council of Australia and is the Chair of the Remuneration Committee. Appointed 27 October 2008.

Mr Victor P Hoog Antink, BCom, MBA, FCA, FAPI, FRICS, MAICD

Chief Executive Officer, DEXUS Property Group.

Mr Hoog Antink has over 28 years of experience in property and finance. Prior to joining DEXUS in November 2003 Victor held executive positions at Westfield Holdings where he was the Director of Funds Management. Prior to joining Westfield in 1995, Victor held executive management positions in a number of property companies in Australia. Victor is also a director of the Property Industry Foundation. Victor is the Immediate Past President of the Property Council of Australia as well as Chair of the Audit Committee and a member of the Remuneration Committee. Director since 2003.

Mr George I Armstrong, FRICS, FAPI, MAICD

Chief Executive Officer, Perron Group of Companies.

Mr Armstrong has been engaged in the commercial property field since joining the privately owned Perron Group in 1973. Ian has been instrumental in developing their portfolio of investment properties comprising mainly shopping centres and office buildings valued at approximately \$2B. Ian is current President of the Property Council of Australia, Western Australia. Director since 2007.

Mr Andrew Bird, BSc Urban Land Administration, MRICS

Director and Chief Investment Officer of Property, AMP Capital Investors.

Mr Bird has over 30 years experience in the property industry in Australia, the UK and Asia Pacific. Andrew oversees the portfolio management of AMP Capital's property assets and the group's substantial property investment services. Andrew is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Director since 2005.

Ms Carolyn S Chudleigh, BEc, LLB

Partner, Holding Redlich Lawyers.

Ms Chudleigh is a practicing property lawyer with over 15 years experience and is the Head of the Property Group in NSW at Holding Redlich Lawyers. Carolyn is a recognised expert in property development especially the delivery of land subdivision, titling and governance solutions to value-add to a project. Carolyn is the current representative of associate members on the Board of Directors of the Property Council of Australia. Director since 2007.

Mr Mark H Ford, Dip Tech (Comm), FAICD, CA

Chairman, Cbus Property.

Mr Ford has extensive experience in the management of listed and wholesale property funds. Mark is the former Managing Director of Deutsche Bank Real Estate in Australia and was also a Director of Deutsche Asset Management. Prior to joining Deutsche Bank, he was a Director of Property Investment Banking at Macquarie Bank. Mark is the current Chairman of the International and Capital Markets Division. Director since 2007.

Directors' Report (continued)

For the year ended 30 June 2009

1. Directors (continued)

Mr Rodney V Fehring, BAppSc, Grad Dip BAppSc

Chief Executive Officer, Lend Lease Primelife.

Mr Fehring has over 25 years experience in the Australian Property sector. Rod has held various positions including Chief Executive of Delfin Lend Lease and Head of Lend Lease Communities, Asia Pacific. In 2008 he was appointed Chairman, Australian Housing and Urban Research Institute. Rod is the current Chairman of the Residential Development Council of Australia. Director since 2007.

Mr David S Hutton, BBus

Global Head of Development, Lend Lease and Chief Operating Officer, Lend Lease Asia Pacific. Mr Hutton has a career spanning over 20 years with the Lend Lease Group. David has held several roles including CEO Lend Lease Retail Australia, CEO Lend Lease Europe, and COO Lend Lease Development Australia. David is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Director since 2007.

Mr Robert Jordan, BSurv (Hons)

Managing Director – Australia and New Zealand, Westfield Group.

Mr Jordan has extensive industry experience and has been with Westfield for 22 years. Robert has held executive management roles including Director of Development – NSW/QLD, Joint Chief Operating Officer – Australia/NZ, and Chief Operating Officer – Australia/NZ. Robert is also the Chairman of the Shopping Centre Council of Australia. Robert is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Director since 2007.

Mr Michael K O'Brien, BComm, FAPI

Chief Financial Officer, The GPT Group.

Mr O'Brien has over 20 years experience in the property industry. Michael joined GPT in 2002 as a Fund Manager and held the role of Chief Operating Officer from 2005. Prior to GPT he held a variety of roles with Lend Lease including roles with Lend Lease's retail business managing GPT's retail portfolio. Michael is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Director since 2006.

Mr David R Woolford, BAppSc (Property Resource Management), FAPI

Chief Executive Office and Managing Director, Knight Frank Australia.

Mr Woolford has over 27 years experience in the property industry, joining the independent global property consultancy, Knight Frank, in 1985. David was previously Director of the Agency Division, and Managing Director of the South Australian and New South Wales Divisions, before becoming Chief Executive Officer and Managing Director of Knight Frank Australia in 2005. David is a Fellow of the Australian Property Institute, an Associate of the Real Estate Institute of Australia, is the current core member representative on the Board of Directors of the Property Council of Australia and a member of the Audit Committee. Director since 2006.

Mr Darren J Steinberg

Head of Property, Colonial First State Global Asset Management.

Mr Steinberg has more than 20 years' experience in the property industry and now leads one of Australia's largest fully integrated property businesses. Darren's extensive experience includes senior roles with Stockland, Westfield, Lend Lease, and Jones Lang Wootton. Darren is also a director of the Shopping Centre Council of Australia, a member of the Australian Institute of Company Directors and a fellow of the Royal Institute of Chartered Surveyors. Darren is a Corporate Leader representative on the Board of Directors for the Property Council of Australia. Appointed 16 April 2009.

Directors' Report (continued)

For the year ended 30 June 2009

1. Directors (continued)

Mr Daryl K Browning, AAPI, FRICS, Dip Fin Services

Chief Executive Officer, ISPT Pty Ltd.

Mr Browning has over 30 years experience in the property industry in a variety of senior roles. Daryl joined ISPT in 2002 and has been CEO since 2005. Daryl is current President of the Property Council of Australia, Victoria. Appointed 16 April 2009.

Mr Justin P Hazell, BAcc, Grad Dip Prop

Principal, Holcon Australia/Connor Holmes.

Mr Hazell has over 15 years experience in the Australian property industry. Justin has held various positions with private companies in the property investment and development sectors. Justin is current President of the Property Council of Australia, South Australia. Appointed 16 April 2009.

Mr Brett Draffen, BBus, FAPI

Chief Executive Officer – Development Australia, Mirvac Group.

Mr Draffen has over 20 years experience across all aspects of the property industry. Brett was appointed CEO of Mirvac's Development Division in June 2008. Prior to this, he held many senior executive positions within the Group including State CEO roles where he was responsible for major development projects across the residential, commercial, retail and industrial sectors that were either wholly owned by Mirvac, in public-private partnerships, or joint ventures with other major organisations. Brett is the current President of the Property Council of Australia, New South Wales. Appointed 30 July 2009.

Mr Wayne R Rex

Director, Hooker Rex Estates Pty Ltd.

Mr Rex is current President of the Property Council of Australia, Queensland. Appointed 30 July 2009.

Mr Denis J Hickey, BBus

CEO, ING Real Estate Investment Management Australia.

Mr Hickey has extensive experience in the property industry and was formerly Chief Executive Officer, Development Division, Stockland Group from 2000 to 2009. Mr Hickey is the immediate past President of the Property Council of Australia, New South Wales. Director since 2006. Retired as a director on 30 July 2009.

Mr Mitchell N Nielson

Managing Director, Indigo Property Group.

Mr Nielson resigned from the role of President of the Property Council of Australia, Queensland. Appointed 16 April 2009. Retired as a director on 4 June 2009.

Mr Guy S Gibson

General Manager – Government Relations, Delfin Lend Lease.

Mr Gibson is the immediate past President of the Property Council of Australia, Queensland. Director since 2007. Retired as a director on 16 April 2009.

Directors' Report (continued)

For the year ended 30 June 2009

1. Directors (continued)

Mr Mark A Sudholz

Chief Executive Officer, Japara Group.

Mr Sudholz has had more than 25 years experience in the real estate, hospitality and aged care industries with expertise in the areas of corporate advisory, property finance, funds management, and development. Andrew is a shareholder and director of the Japara Group. Previous roles include global partner with the Arthur Andersen Group, and with the merger of Arthur Andersen and Ernst & Young, he became the National Partner of Ernst and Young's Real Estate Advisory Services Group. Andrew is immediate past President of the Property Council of Australia, Victoria. Director since 2007. Retired as a director on 16 April 2009.

Mr James E Sarah, BAppSc (Build), MBA, FAIB, FAICD

Joint Managing Director, Sarah Group Holdings.

Mr Sarah has over 17 years experience in the property and construction industry. James is also a director of the Royal Automobile Association of South Australia Inc. James is the immediate past President of the Property Council of Australia, South Australia. Director since 2006. Retired as a director on 6 March 2009.

Mr Nicholas C Lyons

Formerly Chief Executive Officer of The GPT Group 2000 to 2008.

Mr Lyons has over 25 years experience in the property and property funds management industries in Australia and overseas. Previous roles have included roles held with entities such as ING and Lend Lease Real Estate Investments. Nicholas was formerly the National President of the Property Council of Australia and Chair of the Remuneration Committee. Director since 2007. Retired as a director on 27 October 2008.

2. Company secretary

Mr Peter J Verwer was appointed to the position of Company Secretary in August 1992 and is the Company's Chief Executive Officer.

Directors' Report (continued)**For the year ended 30 June 2009****3. Directors' meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
Mr D Grollo	3	4	-	-	-	-
Mr V Hoog Antink	5	6	1	1	1	1
Mr G Armstrong	2	6	-	-	-	-
Mr A Bird	4	6	-	-	-	-
Ms C Chudleigh	6	6	-	-	-	-
Mr M Ford	4	6	-	-	-	-
Mr R Fehring	3	6	-	-	-	-
Mr D Hutton	6	6	-	-	-	-
Mr R Jordan	5	6	-	-	-	-
Mr M O'Brien	4	6	-	-	-	-
Mr D Woolford	3	6	1	1	-	-
Mr D Steinberg	2	2	-	-	-	-
Mr D Browning	2	2	-	-	-	-
Mr J Hazell	2	2	-	-	-	-
Mr D Hickey	4	6	-	-	-	-
Mr M Nielson	1	2	-	-	-	-
Mr G Gibson	3	5	-	-	-	-
Mr A Sudholz	3	5	-	-	-	-
Mr J Sarah	3	5	-	-	-	-
Mr N Lyons	2	2	-	-	1	1

A – Number of meetings attended

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

4. Principal activities

The principal activities of the Company during the course of the financial year ended 30 June 2009 were public policy advocacy and the provision of information, professional development, research and networking activities for the members of the Property Council of Australia and the property industry. There have been no significant changes in the nature of these activities during the year. The Company is a not-for-profit organisation, limited by guarantee.

5. Review and results of operations

During the year the Company provided education and research programmes, and supplied information to members and others through the provision of seminars, forums, luncheons, conferences, and the publication of magazines and newsletters.

The results after income tax of the Company for the year ended 30 June 2009 was a profit of \$108,747 (2008: \$244,512).

Directors' Report (continued)

For the year ended 30 June 2009

6. State of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the year.

7. Environmental regulation

The Company's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

8. Significant events after balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

9. Likely developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the company.

10. Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit, by reason of a contract made by the Company or a related body corporate with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

Directors' Report (continued)

For the year ended 30 June 2009

11. Indemnification and insurance of officers

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2009 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 30 June 2010. Such insurance contracts insure against certain liability (subject to specific exclusions) of persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

12. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the directors' report for the financial year ended 30 June 2009.

This report is made with a resolution of the directors:



Daniel Grollo

Director

30 September 2009



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of the Property Council of Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

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

KPMG

Scott Fleming
Partner

Sydney

20 September 2009

Balance Sheet**As at 30 June 2009**

<i>In AUD</i>	Note	2009	2008
Current assets			
Cash and cash equivalents	6	9,491,093	7,975,720
Trade and other receivables	7	1,697,953	2,852,841
Total current assets		11,189,046	10,828,561
Non-current assets			
Property, plant and equipment	8	1,070,752	1,230,269
Total non-current assets		1,070,752	1,230,269
Total assets		12,259,798	12,058,830
Current liabilities			
Trade and other payables	9	1,484,315	1,736,985
Deferred income	10	4,628,190	3,553,340
Employee benefits	11	1,009,802	1,784,813
Total current liabilities		7,122,307	7,075,138
Non-current liabilities			
Employee benefits	11	88,788	60,948
Lease liability		266,061	248,849
Total non-current liabilities		354,849	309,797
Total liabilities		7,477,156	7,384,935
Net assets		4,782,642	4,673,895
Equity			
Retained earnings	13	4,782,642	4,673,895
Total equity		4,782,642	4,673,895

The notes on pages 13 to 26 are an integral part of these financial statements.

Income Statement**For the year ended 30 June 2009**

<i>In AUD</i>	Note	2009	2008
Revenue from rendering of services			
Subscriptions / membership fees		7,604,223	6,691,076
Networking		9,483,028	10,965,441
Education		2,354,192	3,655,787
Communication		1,574,340	1,988,262
Advocacy		641,935	647,111
Information		761,354	738,541
Other revenue	2	539,340	730,587
Total revenue		22,958,412	25,416,805
Expenses			
Networking		6,726,797	7,549,109
Education		930,569	1,501,123
Communication		1,379,084	1,717,284
Advocacy		1,648,941	2,708,035
Information		516,297	453,379
Shopping Centre Council		345,000	345,000
Corporate services (including depreciation)		11,302,977	10,898,363
Total expenses		22,849,665	25,172,293
Profit before income tax	3	108,747	244,512
Income tax expense	5	-	-
Profit after tax		108,747	244,512

The notes on pages 13 to 26 are an integral part of these financial statements.