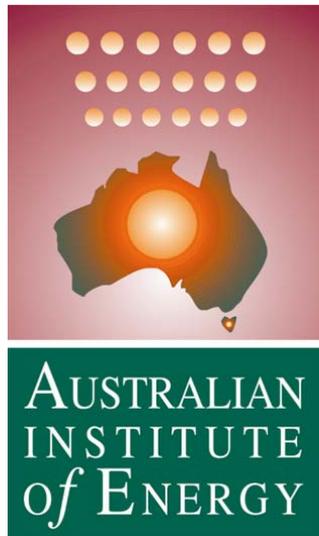


*THE AUSTRALIAN
INSTITUTE of ENERGY*



*2008-2009
ANNUAL REPORT
& ACCOUNTS*

ABN 95 001 509 173

THE AUSTRALIAN INSTITUTE *of* ENERGY

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THE AUSTRALIAN INSTITUTE *of* ENERGY

Annual Report 2008-2009

PRESIDENT'S REPORT

This has been another stimulating year in the energy field. The debate on greenhouse emissions and climate change raised the profile of clean energy provision while high prices kept the energy sector in the spotlight. A few supply outages reminded us all that supply security and keeping the lights on quickly takes over from other issues.

With our eight branches across Australia, the Institute played an active role in increasing the level of *informed* debate on energy issues. The combination of volatile fuel prices, an increasingly environmentally conscious community and concerns with energy supply security, have created a complex set of community aspirations and conflicting objectives. The debate on climate change has become one of the most polarising issues in recent political history and has highlighted the need for informed and independent comment.

I would like to express my appreciation for the support I receive from the AIE Executive and in particular, Treasurer Glen Currie, Secretary Paul McGregor and ex-Treasurer David Allardice. The burden of day to day administration falls on the shoulders of these people. It takes many hours of volunteer effort to run a national Institution and the dedication of all Branch Committee members and national Directors is gratefully acknowledged. The list is too long to set out here.

PAMS, our administration group, has done a wonderful job handling the day to day workload and governance issues. Not for profit organisations like ours now need to work with professional service providers to operate efficiently and with proper governance.

The Board has debated many interesting issues during the year including the continuing challenge of maintaining an *involved* membership in the face of an ageing member profile and an increasing range of energy issues requiring attention. The formation of Young Energy Profession groups has been a satisfying outcome of this drive. We have to retain a continuing effort on recruitment if we are to retain a viable Institute in the face of rising costs and member expectations. This is a task that the Board can lead but ultimate responsibility rests with our members.

The Institute has run more than 50 seminars, meetings and conferences during the year, across all Australian States. Members have also been given the opportunity and encouraged to attend meetings organised by kindred associations in their region. A gradual shift to more co-badged events is a logical response to sharing the volunteer effort. Our journal and website keep members and the public informed on a broad range of energy issues. Postgraduate scholarships, a national study award and information fact sheets ensure we keep our members involved.

The 17th World Hydrogen Energy Conference hosted by the AIE in Brisbane in June 2008 was a great success and the surplus funds are contributing to the establishment of a new dedicated hydrogen group. .

In 2008-2009 the AIE intends to continue the drive for improved services to members and a higher profile for the Institute in promoting sound decision making in the Australian energy sector and the development of appropriate policies by our governments.

This is almost certainly my last year as President although I will continue to serve on the Board. I look forward to a vibrant Institute under new leadership in 2010.

Murray Meaton

President

SECRETARY'S REPORT

The Directors who served on the AIE Board in 2008-2009 were:

Mr Murray Meaton	President
Dr Tony Vassallo	Vice-President
Mr Paul McGregor	Hon Secretary
Mr Glen Currie	Hon Treasurer (From 24 March 2009)
Dr David Allardice	
Mr Michael Cochran	(From 24 March 2009)
Dr Andrew Dicks	
Mr James Giblin	(From 24 March 2009)
Dr Malcolm Messenger	(To 23 March 2009)
Mr Colin Paulson	(To 23 March 2009)
Mr Paul Riordan	
Mr Dennis van Puyvelde	
Mr Gerry Watts	

As the list indicates, the AIE lost through retirement at the end of 2009, two Directors who have made a significant contribution to the Institute:

- Colin Paulson was a founder of the AIE and joined the original Board (Council) in 1977 and was the initial Secretary and Treasurer. He was AIE President in 1983 and 1984. He again served as the Hon. Secretary from 1997 to 2006. Colin also served the Institute in many other capacities, such as arranging and organising AIE Conferences and continues as the Membership Convenor and as a member the Newcastle Branch committee.
- Malcolm Messenger joined the Board in 1997. He was AIE President in 2004 and 2005. He continues his contribution to the AIE as a member the South Australian Branch committee.

The Board thanks these members for their significant contribution to the development of the Institute.

We welcomed two new directors to the Board in 2009, Glen Currie, from the Melbourne Branch and James Giblin, from the Newcastle Branch. They are already making a significant contribution to the Institute's management.

This is the first full year of the AIE's secretariat functions being conducted by PAMS. In many ways this has been a continuing development but one that has been constructive to the improvement of services to our members.

Paul McGregor

Honorary Secretary

MEMBERSHIP REPORT

The Membership Committee reports that during 2008-2009 the membership of the Institute increased by 35 or 2.4% as shown in Table 1.

While 135 members ceased membership for various reasons in 2008-2009 as shown in Table 2, the net gain of 35 means the Institute recruited 170 new members during the year.

TABLE 1: AIE MEMBERSHIP DETAILS AS AT 30TH JUNE 2009

Branch	Individual Grades					Corporate		TOTAL at 30 th June	
	Fellow	Member	Grad.	Student	Assoc.	Corporate Members	Multiple Reps	2009	2008
Brisbane	27	81	5	2	4	4	4	127	131
Canberra	12	20	1	3	1	4	1	42	40
Melbourne	94	168	6	29	13	39	37	386	369
Newcastle	11	15	1	4	5	3	2	41	43
Perth	33	74	6	7	9	55	51	235	214
South Australia	24	60	2	14	6	18	21	145	144
Sydney	78	200	24	32	26	31	32	423	424
Tasmania	4	14	2	0	2	3	1	26	23
Overseas	6	7	1	1	0	0	0	15	17
TOTAL	289	639	48	92	66	157	149	1440	1405

Note: The Multiple Reprs column shows the number Corporate Representatives which Corporate Member companies or organisations have nominated, in addition to their principal representative counted in the Corporate Members column.

Table 1 is a breakdown of the membership by Branch and Membership Grade as of 30th June 2009. It shows that while most Branches had relatively stable membership numbers, the Perth Branch grew significantly (21) followed by Melbourne Branch with an extra 17.

TABLE 2: CEASED MEMBERSHIP DETAILS FOR 2008-2009

Member Type	Resigned	Deceased	Cancelled	TOTAL
Individual	61	2	57	120
Corporate	15	-	0	15
TOTAL	76	2	57	135

Table 2 shows that the number of members who have ceased membership of the Institute for various reasons over the last year was 135. This was 25 less than during 2007-2008 and represents 9.4% of the membership. Of the 135 who ceased to be members during 2008-2009, 76 resigned, 2 passed away and 57 had their membership cancelled due to non-payment of fees for two consecutive years.

Colin Paulson

Membership Committee Convener

BRANCH REPORTS

Brisbane Branch

Brisbane Branch Committee:

Andrew Dicks	<i>Chair</i>
Leigh Morpeth	<i>Secretary</i>
Adrian Horin	<i>Treasurer</i>
Randeep Agarwal	
Nadine Rabu	

The Brisbane Branch was re-established at the start of 2009 and a new committee formed. A social evening at the start of February served to engage members and provided a mandate to set up a series of meetings. Organising the events has put the committee on a steep learning curve, but the numbers attending the meetings have made the effort worthwhile. Opportunities are being taken to join with other organisations in events, an example being the presentation of the BP Statistical Review and a forum sponsored by Queensland Government for September 2009. Further events are planned including a seminar at the end of November 2009 which will provide the location for the AIE Annual General Meeting.

The Branch membership at 30th June 2008 was 131, down from 151 the year before and a peak of 203 in June 2004. By 30th June 2009, membership was 127, indicating that membership loss had significantly reduced. The challenge now is to target new membership through an active program and initiatives such as the Young Energy Professionals.

Brisbane Branch Program:

Date	Subject	Speakers
February 2009	"Social Networking at the Regatta, Toowong"	
March 2009	"Geothermal Energy – base load power from hot rocks"	Gerry Grove-White - Managing Director, Geodynamics Ltd Professor Hal Gurgenci - Interim Director, Queensland Geothermal Energy, Centre of Excellence
May 2009	"Energy from Coal Bed Methane"	Steven Hennings - Norwest Questa Engineering Corp., Colorado Dr Paul Massarotto - The University of Queensland
June 2009	"BP Statistical Review of World Energy"	Christoph Ruhl –Chief Economist, BP

Canberra Branch

Canberra Branch Committee:

Dennis Van Puyvelde	<i>Chair</i>
Ross Calvert	<i>Acting Secretary</i>
Paul Riordan	(Moved to South Aust Branch during the year)
John Söderbaum	

The branch held one event during the year on 5 August 2008. This seminar was well attended with approximately 15 AIE members and guests. While other events were also initiated by Branch Committee members, these did not eventuate into branch events due to a variety of reasons including unavailability of speakers, or conflicts with other important events in Canberra.

Some discussions were held with the Australian Institution of Engineers and the Australian Institute of Physics to hold joint events but this did not eventuate. Many energy seminars were also held by the Australian Academy of Sciences, and at the Australian National University, making it difficult for the AIE to identify a niche area.

While there are many exciting developments in the energy scene resulting in many interesting speakers making their way to Canberra, they often have hectic schedules and already present to many AIE Canberra members through their place of employment. Nevertheless, a consolidated effort from the Canberra Branch could see more cross sectoral energy issues discussed in an open forum.

Canberra Branch Program:

Date	Subject	Speakers
5 August 2008	"Technologies for post combustion capture of CO ₂ from Power Stations"	Mr Ronald Mitchell Mitsubishi Heavy Industries Ltd Japan

During the year, many of the administration functions of the branch have been transferred to PAMS and this is allowing the Branch Committee members to focus on organising events. Branch members are encouraged to contribute to the branch by nominating for the Branch Committee or by providing committee members with ideas for Branch events. Please contact Dennis Van Puyvelde (02 6120 1212) or dvanpuyvelde@co2crc.com.au in the first instance.

Melbourne Branch

Melbourne Branch Committee:

Alistair Urquhart	Chair
Eriks Velins	<i>Deputy Chair</i>
Glenne Drover	<i>Hon Secretary</i>
Joy Claridge	<i>Hon Treasurer</i>
David Allardice	<i>AIE Board member</i>
Glen Currie	<i>AIE Board member</i>
Peter Giannopoulos	Brian Johnston
Brendan Millane	David Peck
John Price	Twiggy Wong
Michael Bagot (co-opted)	<i>YEP coordinator</i>

2008-2009 was another good year for the Melbourne Branch, with new private sector and government members and guests attending our functions. The Young Energy Professionals warmed to the task of networking in support of their future careers around a series of good speakers. This is continuing on into the following year. Our thanks to Michael Bagot, Matthew Sullivan and Mark Kealy.

The Branch expanded its relationship with PAMS association managers. The PAMS staff provides excellent secretarial, bookkeeping and administrative support, at good value. It is important these days to have some professional support for volunteer organisations. The postgraduate student awards (PGA) event, held every second year, was a success once again. Our thanks to David Allardice and his team.

Our 30th anniversary dinner, held with our AGM at the Kelvin Club, was addressed by Rio Tinto's Group Chief Scientist, Prof. Robin Batterham, who took us on an entertaining ride into the future of energy.



AIE Melbourne PGA 2008 winner Michael Simioni & Energy Minister Peter Batchelor

Melbourne Branch contributed \$500 to the Victorian Secondary School Teachers Association 2008 Science Talent Search, with 2008's theme being 'Planet Earth: Planet of change'.

The committee has had an enjoyable and interesting time bringing together their connections and thoughts and efforts to provide the events program.

Melbourne Branch Program:

Date	Subject	Speakers
17 July 2008	"Transport and Energy Fuel Futures 2008 to 2050"	Paul Graham, Manager, Energy Futures Research, CSIRO
7 August 2008	"Carbon Pollution Reduction Scheme"	Anthea Harris, Australian Department of Climate Change
4 September 2008	"Postgraduate Student Energy Awards"	With address by the Hon Peter Batchelor MP, Victorian Minister for Energy and Resources
16 October 2008	16 October 2008"	Ian Hore-Lacy, Director for Public Communications, World Nuclear Association
27 November 2008	"Solar Energy — now a cost competitor!"	Glen Currie, Managing Director, SunEnergy, and Bruce Godfrey, Principal, Wyld Group
11 December 2008	"When will our future sources of energy be shaped by global agreement on climate?" (AGM and 30 th Anniversary Dinner)	Prof. Robin Batterham, Group Chief Scientist, Rio Tinto
25 February 2009	"Electric Vehicle Show and Tell"	Display and presentations by Peter Carpenter, National Manager Product Training, Toyota Australia; Dr Peter Pudney, Senior Research Fellow, University of South Australia; Guy Pross, Director Government Affairs, Better Place Australia; and Justin Harding, Public Liaison Officer, Australian Electric Vehicle Association
19 March 2009	"Current Status of LNG Projects in Australia and implications for domestic gas"	Gordon Ramsay, UBS Investment Bank
20 April 2009	"The New Economics of Power"	Peter Jones OBE
28 May 2009	"The climate change regulation that we really need"	Kenneth Davidson
11 June 2009 <i>YEP Seminar</i>	Large-Scale Solar Energy Technology in Victoria"	Presentations by Dr Adrian Panow, Director of Energy Investment, DPI Victoria; Geoff Wearne, General Manager, WorleyParsons Power; and Paul Gizinski, Product Engineer, Solar Systems Pty Ltd.
26 June 2009	"A Power Generator in Every Home? Commercialisation of ceramic fuel cells"	Brendan Dow, Managing Director, Ceramic Fuel Cells Limited

Newcastle Branch

Newcastle Branch Committee:

Jim Kelty	<i>Chairperson</i>	
Behdad Moghtaderi	<i>Hon. Secretary</i>	
Sarah Kemp	<i>Hon. Treasurer</i>	
Ian Guy	<i>Assistant Hon. Secretary</i>	
Sarah Miller		Yanping Sun
Ted Campbell		James Giblin
Colin Paulson		Viv Paulson
Geoff Rigby		

The primary focus of the Newcastle Branch of the AIE throughout 2008-2009 was to support its members by offering them the opportunity to attend a number of seminars-workshops (about 30) organised by the AIE and other local organisations including:

- ❑ The Priority Research Centre for Energy (The University of Newcastle)
- ❑ CSIRO Energy Division
- ❑ Environmental Engineering and Sustainability Society
- ❑ Engineers Aust, Newcastle - Chemical and Electrical Engineering Groups
- ❑ Hunter Environment Institute
- ❑ Energy Efficiency Opportunity Hunter Group Community of Practice

The seminars-workshops covered a diverse range of topics in a number of key subject areas such as: “*Carbon Capture and Storage*”, “*Clean Coal Combustion*”, “*Biomass Utilisation in Australia*”, and “*Wind Power*”.

The 2007-2008 Annual General Meeting was held on 4 December 2008 at CSIRO Centre Mayfield West. The guest speaker, Professor Garry Willgoose, Director of the Centre for Climate Impact Management at The University of Newcastle, gave an interesting presentation titled *Predictions the Energy Industry Should Know About*.

Membership numbers have remained relatively steady although new initiatives, such as the formation of a Newcastle Branch of the Young Energy Professionals, are underway to further expand the membership base. The launch of YEP occurred on 23 July 2009 and was well attended by approximately 40 people.

Perth Branch

Perth Branch Committee:

Murray Meaton	<i>Chairperson & Board Representative</i>	
Les Farrant	<i>Vice Chair</i>	
Dougal West	<i>Secretary</i>	
Ken Lee	<i>Treasurer</i>	
Mark McKinnon	<i>Communications</i>	
Geoff Suttie	<i>Education</i>	
David Bradley	<i>Education</i>	
Brian Truman	<i>Membership</i>	
Simon Adams		Sam Bartholomaeus
Richard Beresford		Mathew Bowen
Anne Hill		Gary Jeffery
Peter Kolf		Derek Morrow
Greg Steinepreis		Rob Swan
Simon Thackray		Wayne Trumble
Helen Weatherly		Ray Wills

The Branch ran 10 very well attended functions in 2008-2009 mostly involving a business lunch format in the City. The one breakfast function was a sell-out. In addition, our eighth Energy in Western Australia conference, held over two days, attracted 192 delegates.

Perth Branch Program:

Date	Topic	Speaker
2 July 2008	Solar thermal and emissions trading	Greg Denton, Worley Parsons
13-14 August 2008	Securing our energy future	Eighth Energy in WA conference
3 September 2008	Gas developments	Aiden Joy, Apache Energy
7 October 2008	Lessons learnt from the gas crisis	Ken Brown, Western Power and Mark Cooper, DBP
22 October 2008	National Energy market	Cameron O'Reilly, ERAA
12 November 2008	The Ichthys LNG project	Jiro Okada, Inpex Browse
25 November 2008	Energy issues	Branch AGM
19 March 2009	Warro Tight Gas Project	Stephen Keenihan, Latent Petroleum
20 May 2009	Carbon Sequestration – the Challenges Ahead	Dr Jim Underschultz, CSIRO Petroleum
10 June 2009	Subsurface characterisation and hydrocarbon monitoring	Professor David Lumley and Tim Shanahan, University of Western Australia

The Perth Branch maintained its solid membership base (232) in 2008-2009 up 8% on the previous year. Converting strong attendance at meetings into membership remains a challenge with most functions having twice as many guests in attendance as Branch members.

The Branch maintains a strong financial position and looks forward with confidence to pursuing the vision of 'Leadership in Energy' in 2010. The State Minister for Energy has issued a challenge to those involved in energy issues in Western Australia to contribute to the development of an Energy Strategy. This is a challenge that the Perth Branch will address.

Education of youth remains a strong focus through principal sponsorship of the Petroleum Club's Schools Information Program. This program has particular relevance in this state, involving major industry players and having knowledgeable speakers actively engaging senior school students in a creative and interactive program that explores petroleum as an integral part of energy in WA. Investigations are continuing to establish better communication channels for the energy issues that are not covered by the Petroleum Club program – in particular a balanced view of renewable energy options targeted at secondary school students.



The "Energy in Western Australia" conference, co-hosted by AIE's Perth Branch, attracts a large audience

South Australia Branch

South Australia Branch Committee:

Graeme Bethune	<i>Chair</i>	
Graeme Atwell	<i>Hon. Secretary</i>	
Albert Thompson	<i>Hon. Treasurer</i>	
Michael Cochran	<i>AIE Board member</i>	
Malcolm Messenger		Craig Langford
Shameni Nitchingham		Craig Oakeshott
Bruce Parker		Patrick Walsh

Through 2008-2009 the SA Branch of the AIE continued to provide a wide- ranging and active program of events and sponsorships supporting AIE's role as a key interest group in South Australia focussing on developments across all sectors of the rapidly changing energy industry.

The South Australian Branch continued to support and sponsor education and awareness of the energy industry both in South Australia and nationally with the following key activities:

- ❑ Contribution of \$5,000 to the AIE National Energy Study Scholarship Fund which assists young members of the AIE to further their knowledge in an energy-related discipline through study and-or visits to relevant industries and facilities.
- ❑ \$3,000 support provided to six SA post graduate students to assist in their participation in the AIE National Post Graduate Students Awards in Sydney in November 2008. Two students were awarded prizes (2nd and 3rd) in the category of "Energy - Doing More with Less".
- ❑ A grant of \$2,300 to the South Australian Science Teachers Association as partial sponsorship in the annual Oliphant Science Awards;
- ❑ A Technology Study Award of \$220 to the Hamilton Secondary College; and
- ❑ A prize of \$500 for the best research poster on an energy theme for a final year undergraduate chemical engineering student at the University of Adelaide.

The Committee continues to evaluate ways in which the Branch can support increased awareness, knowledge and interest in energy issues in the community, particularly within the education system.

South Australia Branch Program:

Date	Topic	Speaker or Event
August 2008	BP Statistical Review of World Energy	C Vigneswaran & P. Metcalfe, BP Australia
September 2008	Hybrid Energy project	Barry Ford, Hybrid Energy
October 2008	Future Fuels	Paul Graham, CSIRO
November 2008	Energy Efficiency and the Carbon Pollution Reduction Scheme	George Wilkenfield
December 2008	Coal Seam Methane	Sharlene McClure, Santos
February 2009	Biofuel Research	Rob Thomas, SARDI
March 2009	Status of Energy Retail Market in SA	Pat Walsh, ESCOSA
April 2009	Clean Energy- perspectives of a major gas producer	Mike Congreve, Santos
May 2009	Energy Procurement Strategies	Michael Williams Adelaide Brighton Cement
June 2009	Four years on – from Regulator to regulated	Lew Owens, ETSA Utilities

Sydney Branch

Sydney Branch Committee:

Mr Craig Chambers	<i>Chairman (from 9 February 2009)</i>
Mr Paul McGregor	<i>Chairman (to 9 February 2009)</i>
Mr Denis Cooke	<i>Vice- chairman (from 9 February 2009)</i>
Dr David Hemming	<i>Honorary Secretary</i>
Mr Graham Lowry	<i>Honorary Treasurer</i>
Professor Tony Vassallo	Mr Martin Thomas
Mr Richard Hunwick	Ms Deborah Marsh
Dr Chris Sorrell	Ms Manuela Crank
Mr David Hawley	

2008-2009 was another extremely active year for the Sydney Branch, which held 12 technical meetings and symposia with the Branch's YEP group adding a further 5 meetings. Attendance at functions is steadily increasing and a growing number of students and young energy professionals also attend and participate.

Sydney Branch hosted two half-day symposia during the year – “Energy in NSW 2008” in July and “Energy Industry Carbon Challenges: What's Ahead? - Compliance, Adaptation, Forecasts, Innovation”. The Energy in NSW symposium featured six speakers, and was attended by around 60 people across the energy industry. The Carbon Challenges symposium featured seven presenters from industry, government and academia and was attended by over 50 people. The Branch was also pleased to support a presentation from the Group Chief Economist of BP, Christof Ruehl, reviewing world energy in 2008, with over 80 attendees.

Sydney Branch ran a third Postgraduate Student Awards and third “Energy in NSW” symposium, hosted the AIE National Postgraduate Student Awards and National AGM on 18th November 2008.



National PGA winners with Speaker/Presenter Dr Carolyn Davies, a Director in the Department of Environment, Climate Change and Water and National President Murray Meaton

Sydney Branch acknowledges the support of Austrian Energy & Environment (Australia) Pty Ltd, and the NSW Department of Water and Energy for the use of their meeting rooms during the year for committee meetings. CSIRO at Lindfield, Blake Dawson, the NSW Department of State and Regional Development, Energy Australia, Griffith Hack, AGL, Cadden Crowe and Parsons Brinckerhoff also provided facilities for technical presentations and other functions. The support of these organisations is crucial to provide members with an interesting and challenging program.

The Branch also thanks its sponsors for a number of events, the Department of Water and Energy, Blake Dawson and the Nous Group.

Sydney Branch also wishes to thank our retiring Committee members Professor Leslie Kemeny, Dr Sushil Gupta and Dr Hien Le, and our retiring Chairman Mr Paul McGregor (who remains on the Committee), and acknowledge their years of service to the Branch.

Sydney Branch Program:

Date	Topic	Presenters
29 July 2008	"Energy in NSW 2008 – Supply and Demand-side Prospects" - Half-day symposium	Multiple presenters
18 August 2008	Tour of Energy Australia's Energy Efficiency Centre at Homebush. Presentation "Does energy efficiency have a future? Life under an ETS"	Robert Smith, Energy Australia
2 September 2008	Site tour of Delta Electricity's Mt Piper power station at Lithgow	
14 October 2008	"Emissions Trading - international and domestic developments" – Mini symposium	Tony Hill, Blake Dawson Arek Sinanian, Parsons Brinkerhoff Sally Burns, Sigma Global
3 November 2008	AGM and presentation "Geothermal Power – the growth and potential future substitution of coal for base-load electricity"	David Hawley, Granite Power
18 November 2008	National Post-graduate Student Awards 2008	
25 February 2009	The Four Societies Meeting: "An industry update on global nuclear power and opportunities for Australia"	Dr Selena Ng, Areva NC, Australia
2 March 2009	"The Better Place project – renewable energy powered electric vehicles for Australia"	Chris Cormack, AGL Energy Victoria McFarlane, Better Place Australia
6 April 2009	"The Global Carbon Capture and Storage Institute" "The New Economics of Power" "Carbon Capture and Storage"	Nick Otter Peter Jones Richard Hunwick
19 May 2009	"Energy Industry Carbon Challenges: What's Ahead?- Compliance, Adaptation, Forecasts, Innovation" Half-day Symposium	Multiple presenters
1 June 2009	"Intelligent Grids, Smart Meters and the Home of the Future"	Brad Gammons, IBM Global Energy & Utilities Jamal Cheema, Energy Australia
26 June 2009	"BP Statistical Review of World Energy 2009"	Christof Ruehl, BP

Sydney Branch Young Energy Professionals

We acknowledge the generous sponsorship of the Sydney Branch Young Energy Professionals (YEP) group by Energetics.

The YEP Program has been very successful with a marked increase in attendance. Six events were listed on the program and this helped to retain Platinum sponsorship with Energetics as well as attract Graduate Partners. The Graduate Partnership initiative attracted Young Professionals, who were not members of the AIE, to take part in YEP events. This was a positive recruitment drive that resulting in lots of new participants, preliminary company involvement that can be built on and more money for the program.

Steven Nethery and Sali Torgoman were the Chair and Vice-Chair of the program this year. They completed other initiatives including:

- Launching the YEP website www.yepsydney.org.au
- Developing a YEP Logo, shown below.
- Assisting with the starting of YEP branches in Melbourne, Newcastle, Adelaide and Brisbane.

Also of great importance to the Sydney YEP Group were the contributions of David Lukas, George Cole and David Nealle who organised the first 4 events on the 2009 Program. The full program is listed below.

Sydney YEP Program:

Date	Topic	Presenters
17 September 2008	Seminar: "Water, energy and climate change"	Professor Matthew England Dr John Williams Richard Hunwick Deborah Marsh
21 October 2008	Workshop: "Developing your career in energy"	Multiple presenters
26 March 2009	The Great Energy Debate 2009: "That Carbon Trading will Solve Climate Change"	Multiple presenters
29 April 2009	Workshop – "Contract Law for Dummies"	Jade Ng & Daniel Murnane Gadens Lawyers
18 June 2009	Seminar: "International Climate Policy and Australia's Energy Future"	Multiple presenters

Tasmanian Branch

Tasmanian Branch Committee:

Patrick Burke	Chair
Arthur Masters	Vice Chair
Gerry Watts	Treasurer
Melisa Jackson	Secretary
Paul Turvey	
Sue Fama (retired)	

The Tasmanian Branch committee is a small group dedicated to providing Tasmanians with understanding and awareness of energy issues locally, nationally and globally. This year the Committee farewelled Sue Fama who has provided many years of dedicated service including several years as Branch Chair. We thank Sue for her efforts and wish her the best for the future.

The Branch focuses its efforts on holding quality events with significance to those in the wider energy industry and those with an interest in the industry itself. This year the AIE Tasmania Branch has expanded its activities by providing a regular newsletter to its members and interested parties, detailing relevant energy news and Branch activities.

Five meetings were organised during the year which have been well attended and while not making a large profit have been well received.

Tasmanian Branch Program:

Date	Topic	Presenters
July 2008	King Island – Towards a sustainable energy future	Ryan Willems, Renewable Energy Engineer, Hydro Tasmania
Nov 2008	University of Tasmania, School of Engineering, Best Final Year Energy Related Honours Project	
Dec 2008	Tamar Valley Power Station – Keeping the lights on	Mike Brewster , Chief Executive Officer, AETV Power
April 2009	Residential Scale Energy Services and Demand-Side Management	Dr Martin de Groot - Senior Research Scientist, CSIRO
June 2009	In conjunction with the Royal Society of Tasmania - Winter Lecture Series 2009 <ul style="list-style-type: none"> - <i>Overview of Tasmania's Energy Sector</i> - <i>Weather's Role in Tasmania's Energy Sector</i> - <i>The Role of Natural Gas in Tasmania</i> - <i>Geothermal Potential in Tasmania</i> 	Patrick Burke – Aust Inst Energy Ian Barnes-Keoghan, Bureau of Meteorology. Fraser Kirkpatrick – Tasgas Roger Lewis - Kuth Energy

Hydrogen Division

A workshop was held in Brisbane in November 2008 to review the World Hydrogen Energy Conference (WHEC 2008), and the future of the Hydrogen Division. The workshop also served to promote the research of the National Hydrogen Materials alliance (NHMA), and a large number of hydrogen stakeholders were present.

At the workshop there was a strong feeling that the time had come for the establishment of an advocacy group within Australia to go beyond the remit of the AIE, to promote hydrogen energy as a clean energy carrier for the future, to bring together stakeholders and researchers following the end of the NHMA in 2009. The National Hydrogen Technology Roadmap that had been commissioned by the Department of Resources, Energy and Tourism and published towards the end of 2008 also recommended the formation of a high level industry association for the advocacy of Hydrogen Energy in Australia.

Following the November workshop, a small steering committee was therefore established to explore the options set up a new association for the benefit of hydrogen stakeholders in Australia. By the end of June 2008, negotiations between the steering committee and both the International Association for Hydrogen Energy and the AIE had led to an agreement on disbursement of excess funds from the WHEC 2008.

It was agreed by the AIE that a new association, known as the Australian Association for Hydrogen Energy (AAHE), should be established and while the AIE retains some of the excess funds from WHEC 2008, a substantial amount would held in trust by the AIE, pending transfer to the new association.

No other events or activities have been held or recorded by the Hydrogen Division during 2008-2009. The future of the division will be reviewed by the AIE Board following the establishment of the AAHE, in September 2009. Further information on the establishment of the new association will be made available at the website www.hydrogenaustralia.org.

Oil & Gas Special Interest Group (SIG)

The Oil & Gas SIG was re-launched during the year by its Convenor, Eriks Velins. It now has two components, Oil & Gas Links and Interesting & Useful Articles.

The Links comprise Regulation of Oil & Gas Industry, Australian and Overseas Associations, Australian and Overseas News and Articles, Australian and International Statistics and Technical-Economic data. They have been selected to provide the user with a free, independent and reliable overview of the industry.

The Articles have been selected to provide insight into particular issues faced by the industry in order to stimulate an informed discussion. The Convenor welcomes feedback and contributions.

YOUNG ENERGY PROFESSIONALS (YEPS)

This encouraging movement within the AIE membership continues to gain momentum in the Institute. The foundation group in Sydney has now been joined by similar groups in Melbourne and Newcastle.

A separate page, on the AIE website, has been created for the YEPS. This provides links to the established groups. The adjacent logo has also been created for the YEPS and features on banners for display at meetings.

The groups have conducted a range of meetings as listed and described in the respective host Branch programs above.

The existing YEP groups are happy to provide advice to new start up YEP groups.

Interestingly YEP members have now joined the Branch committees and this augurs well for the future of the Institute.



AIE-ECA STUDY AWARDS FOR 2008-2009 AND THE AIE SCHOLARSHIP FUND

There were no scholarships funded during the 2008-2009 financial year as two scholarships were funded in the 2007-2008 financial year (one in 2007 and one in 2008). The winner of the 2009 scholarship has been decided, but not announced as of this report.

These scholarships have been funded with a grant from the Australian Energy Alliance (formerly the Energy Council of Australia) in recognition of AIE's contribution in organising the Youth Forum at the 2004 World Energy Congress in Sydney. There are still sufficient funds left to cover the 2009 scholarship.

The AIE has used the opportunity to build up a Scholarship Reserve fund with the objective of continuing to support an annual scholarship program from the interest on this fund. We have now reached and exceeded the initial target of \$100,000 for this fund, with transfers from AIE Board reserve funds, contributions from conference profits and contributions from some Branch reserve funds, particularly from Melbourne, Perth, Sydney and South Australia.

COMMUNICATIONS

The AIE Energy News Journal

The official publication of the Australian Institute of Energy, *Energy News*, continues to be an important service to members, both for its interesting content and its role in communication between the members, the Board and Branches.

Four full colour issues were published in 2008-2009 and, and the quality of presentation and content continues to improve. The Board congratulates our editor, Joy Claridge on her excellent work in steadily raising the standard and profile of the Journal, which is one of the key services provided to AIE members.

Thanks to Joy's efforts, the revenue from advertising, mainly from Corporate Members, continues to increase and is now making a significant contribution to publication costs. The Corporate Member Directory in the journal has proved very popular because it gives companies an excellent profile for a modest cost. The first small single listing is free, however a number of company members have opted for a sequence of four larger listings for a modest charge. This section has become a regular feature of the journal and we encourage members to support our advertisers.

The editor is always delighted to receive suggestions, articles and letters and looks forward to hearing from you in 2009-10 at editor@aie.org.au.

Monthly Email News

The Board uses the facilities provided by PAMS to distribute an regular monthly email to members who have provided email addresses, and to an extended contact list of interested parties.

The objective is to promote attendance at AIE Meetings and to advise of energy related meetings scheduled by others, particularly not-for-profit organisations. The message also provides information on other energy matters such as government requests for submissions or applications for grants as well as notices on AIE administration matters such as the call for Board nominations or the availability of the Annual Report on-line.

The email, in an attractive new format, has links to meeting flyers, registration forms and on-line registration services for Branches using these facilities. Some branches follow this up with Branch emails direct to their Branch members and contacts to reinforce the message.

PAMS distributes the email on the second Tuesday of each month and a reminder is sent to Branches a week before to provide content and links to register for meetings which Branches wish to promote. Branches are encouraged to make full use of this promotional service provided at Board expense.

If you have an email address but have not provided it, please contact PAMS (aie@aie.org.au) to add it to your database record, or edit your record in the database on-line. You never know what you might be missing out on.

We do not make our mailing list (email or snail mail) available to third parties so you are not going to be flooded with spam.

On-line News

The daily energy news clipping service continues to be one of the draw cards for visits to the AIE web site. The service provides a screened list of links to local energy news stories. Many members use it as their home page when they open their internet browser each day.

AIE Web page

The redeveloped AIE webpage at www.aie.org.au is now in operation and incorporates a website content management system to enable Branches and other users to manage their own web page, and provides a range of new on-line services. If you are having trouble finding your favourite pages on the site please phone our free call number for assistance (1800 629 945).

ACCOUNTS FOR 2008-2009

The following pages comprise the audited accounts of the AIE for the 2008-2009 Financial Year. This includes the consolidated accounts of the Institute as a whole including the Board, the eight Branches and one Division, and the separate accounts of the Board.

The audit was performed for the first time by John Watty of ProAcct Accountants, Melbourne. He is familiar with PAMS systems and can inspect the AIE accounts in PAMS' office, which simplifies the logistics of the audit process. The change of auditor was authorised at the 2008 Annual General Meeting.

We wish to record our appreciation for the long and reliable service provided by Martin Power and John Forbes of Bentley's MRI Brisbane who had audited our accounts for the previous 15 years or more.

The 2008-2009 accounts show the Institute is in a sound financial state with strong reserves held by the Board and many of the Branches.

The AIE had a successful year financially in 2008-2009, with a consolidated operating surplus of \$89,595. This was due primarily to an extra-ordinary contribution of \$60,112 from the World Hydrogen Energy Conference held in June 2008, which was co-sponsored by the International Association for Hydrogen Energy (IAHE) and the AIE. The IAHE has already contributed its share from the conference to the formation of a new Australian Association for Hydrogen Energy (AAHE). The AIE share will be split between the AIE Scholarship Fund and our Hydrogen Division accounts, which may also be transferred to the AAHE with the approval of the Division members..

The underlying profitability of the Institute demonstrates the soundness of our financial model and our ability to cover the costs of a commercial secretariat with only CPI increases on our relatively low member subscriptions.

If you have any questions on the accounts please contact the Treasurer at treas@aie.org.au.

AUSTRALIAN INSTITUTE OF ENERGY
A Company Limited by Guarantee
DIRECTORS' REPORT

Your Directors submit herewith their report of the Australian Institute of Energy for the financial year ended 30 June 2009.

The names of the directors in office at any time during, or since the end of, the year are:

David Allardice	Tony Forster	Colin Paulson
Patrick Burke	James Giblin	Dennis van Puyvelde
Michael Cochrane	Paul McGregor	Paul Riordan
Glen Currie	Murray Meaton	Tony Vassallo
Andrew Dicks	Malcolm Messenger	Gerry Watts

All Directors are members of the Australian Institute of Energy and hold qualifications in energy related disciplines.

The principal activities of the Institute in the course of the year were to advance the scientific, technological and social studies and professional practice of energy disciplines and to enhance their contribution to the public welfare by encouraging the development of all branches of energy disciplines. There was no significant change in the nature of the principal activities or state of affairs of the Institute nor are there any likely future developments which require comment herein.

The consolidated surplus of the Institute for the year was \$89,595 (2008: \$9,209). Included in the profit for the 2009 year is extraordinary income of \$60,112 being the Institute's share of profit arising from an international conference co-sponsored by the Australian Institute of Energy.

No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Institute, the results of those operations or the state of affairs in future financial years except as noted herein.

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

The following table sets out the number of Board meetings held during the year ended 30 June 2009 and the number of meetings attended by each Director.

Director	Board Meetings	
	Attended	Eligible
Mr Murray Meaton (President)	3	3
Dr Tony Vassallo (Vice President)	3	3
Mr Paul McGregor (Hon Secretary)	3	3
Dr David Allardice (Hon Treasurer to 24 March 2009)	3	3
Mr Glen Currie (Hon Treasurer from 24 March 2009)	2	2
Mr Patrick Burke (from 23 June 2009)	1	1
Mr Michael Cochran (from 24 March 2009)	2	2
Dr Andrew Dicks	2	3
Mr Tony Forster (to 24 March 2009)	1	1
Mr James Giblin (from 24 March 2009)	2	2
Dr Malcolm Messenger (to 23 March 2009)	1	1
Mr Colin Paulson (to 23 March 2009)	1	1
Mr Paul Riordan	3	3
Dr Dennis van Puyvelde	1	3
Mr Gerry Watts (to 22 June 2009)	0	3

AUSTRALIAN INSTITUTE OF ENERGY
A Company Limited by Guarantee
DIRECTORS' REPORT (Continued)

Since the Institute is a non-profit organisation the Directors recommend that no dividend be paid. No amounts have been declared or paid by way of dividends since the end of the previous financial year.

No indemnities have been given or insurance premiums paid, during or after the end of the financial year, for any person who is or has been an officer or auditor of the Institute.

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

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

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

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Glen Currie - Honorary Treasurer



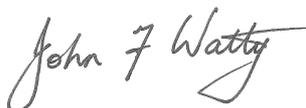
Dated: 23 October 2009

Melbourne

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN INSTITUTE OF ENERGY

I declare that, to the best of my knowledge and belief, during the 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.



John Francis Watty
Registered Company Auditor
255 Whitehorse Rd,
Balwyn Vic 3103

Dated: 23 October 2009

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
<u>REVENUE FROM ORDINARY ACTIVITIES</u>			
Operating activities			
Proceeds from meetings, functions and conferences		173,544	230,324
Sponsorship, donations and other revenue		26,529	20,206
Subscriptions from members		133,196	131,546
Journal sales and advertising		9,244	3,340
Share of Profit from other conferences		60,112	-
		402,625	385,416
Non-operating activities			
Interest received		29,922	28,759
		29,922	28,759
TOTAL REVENUE FROM ORDINARY ACTIVITIES		432,547	414,175
<u>EXPENDITURE FROM ORDINARY ACTIVITIES</u>			
AIE promotion and development		3,308	3,631
Audit and accountancy fees	15	7,483	8,644
Bank charges		4,367	7,113
Conference expenses		-	-
Cost of ties sold and gifted		285	383
Depreciation		-	329
General expenses		5,036	8,235
Insurance		3,937	4,614
Internet expenses		9,873	6,675
Journal publication costs		52,104	54,061
Meetings and functions		127,613	173,442
Office equipment purchases		-	88
Postage and telephone		5,052	7,362
Printing and stationery		7,778	9,367
Scholarships, prizes and awards		21,350	18,658
Sponsorship		1,000	7,500
Subscriptions		-	-
Travel and board meeting expenses		9,781	13,782
Administration services		83,985	81,082
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		342,952	404,966
OPERATING SURPLUS FOR THE YEAR		89,595	9,209
Plus: Transfer from Gippsland Reserve		15,000	-
INCREASE IN RETAINED EARNINGS FOR YEAR		104,595	9,209

The accompanying notes form part of these accounts and are to be read in conjunction therewith.

**BALANCE SHEET
AS AT 30 JUNE 2009**

<u>CURRENT ASSETS</u>	NOTE	2009	2008
		\$	\$
Cash and cash equivalents	2	745,142	552,490
Trade and other receivables	3	8,171	18,784
Inventories	4	2,601	2,886
Other current assets	5	1,521	1,595
TOTAL CURRENT ASSETS		757,435	575,755
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	6	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		757,435	575,755
<u>CURRENT LIABILITIES</u>			
Trade and other payables	7	35,141	9,618
Subscriptions received in advance	8	77,026	70,576
IAHE/AAHE funds held in trust		60,112	-
TOTAL CURRENT LIABILITIES		172,279	80,194
TOTAL LIABILITIES		172,279	80,194
NET ASSETS		585,156	495,561
<u>EQUITY</u>			
Gippsland Reserve	9	-	15,000
Retained Earnings		585,156	480,561
TOTAL EQUITY		585,156	495,561

The accompanying notes form part of these accounts and are to be read in conjunction therewith.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Retained Earnings	Gippsland Reserve	Total
	\$	\$	\$
Balance at 30 June 2007	471,352	15,000	486,352
Surplus for the year	9,209	-	9,209
Balance at 30 June 2008	480,561	15,000	495,561
Surplus for the year	104,595	(15,000)	89,595
Balance at 30 June 2009	585,156	-	585,156

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

		2009	2008
		\$	\$
Cash flows from Operating Activities			
Receipts from operating activities		513,238	398,761
Interest received		29,922	28,759
Payments for operating activities		(310,620)	(401,011)
Net cash flow provided by operating activities	11a	132,540	26,509
Cash flows from investing activities			
		-	-
Cash flows from financing activities			
IAHE/AAHE funds held in trust		60,112	-
Net increase in cash held		192,652	26,509
Cash at the beginning of the financial year		552,490	525,981
Cash at the end of the financial year	11b	745,142	552,490

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - SIGNIFICANT ACCOUNTING METHODS

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Institute is a non-profit organisation and received the major part of its income from subscriptions, conferences and lectures.

The financial report complies with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). The financial report also complies with International Financial Reporting Standards ("IFRS").

The financial report is in respect of the Australian Institute of Energy as an individual entity and complies with all AIFRS in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis except for certain small branches which amounts have been recorded on the cash basis, and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) Accounting for Regional Branches and Division

All activities of the Branches and the Hydrogen Division, as presented in audited financial statements to the Board, have been included in the Income Statement and the known assets of each Branch as at 30 June 2009 have been included in the Balance Sheet.

b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Fixed assets are depreciated by the straight-line method over a four year period.

d) 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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

e) Revenue

Revenue from membership subscriptions is recognised in the period to which it relates. Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of these grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided. All revenue is stated net of the amounts of goods and services tax (GST).

f) Contributions

The Institute receives non-reciprocal contributions from other parties for a nominal value. These contributions are recognised at the fair value on the date of receipt at which time an asset is recorded in the balance sheet and revenue in the income statement.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - SIGNIFICANT ACCOUNTING METHODS (cont'd)

g) Income Tax

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

h) Critical Accounting Estimates and Judgments

There were no critical accounting estimates and judgments in respect of the amounts in this Report.

i) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. The entity does not have complex financial instruments. The financial instruments on the entity's balance sheet are all non-derivative in nature, namely cash and cash equivalents, receivables and payables.

Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt or cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

Classification and Subsequent Measurement

(i) Receivables

Receivables are non-derivative financial assets that have fixed maturities and fixed determinable payments, and it is the entity's intention to hold these investments to maturity.

(ii) Financial Liabilities

Non-derivative financial liabilities are measured at cost.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
NOTE 2 – CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – Scholarship Reserve	81,621	66,614
Cash and cash equivalents – Other	414,339	302,831
Cash and cash equivalents – Term deposits	249,182	183,045
	<u>745,142</u>	<u>552,490</u>
NOTE 3 – TRADE AND OTHER RECEIVABLES		
Other receivables	8,171	18,784
	<u>8,171</u>	<u>18,784</u>
NOTE 4 – INVENTORIES		
Stock of ties	1,755	2,040
Stock of AIE medals	846	846
	<u>2,601</u>	<u>2,886</u>
NOTE 5 – OTHER CURRENT ASSETS		
Prepayments	1,521	1,595
	<u>1,521</u>	<u>1,595</u>
NOTE 6 – PROPERTY, PLANT AND EQUIPMENT		
Equipment – at cost	-	1,425
Less: Accumulated depreciation	-	(1,425)
	<u>-</u>	<u>-</u>
NOTE 7 – TRADE AND OTHER PAYABLES		
Accrued expenses	9,632	7,772
Sundry creditors	21,785	571
GST	3,724	1,275
	<u>35,141</u>	<u>9,618</u>
NOTE 8 – UNEARNED INCOME		
Subscriptions received in Advance	77,026	70,506
	<u>77,026</u>	<u>70,506</u>
NOTE 9 – RESERVES		
Gippsland Reserve	-	15,000
Opening balance	15,000	15,000
Transfer to Retained Profits	15,000	-
Closing balance	<u>-</u>	<u>15,000</u>

The reserve contained funds relating to the Gippsland Branch following its closure during the 2003 financial year. During the 2009 financial year it was resolved to transfer these reserve funds to retained earnings.

NOTE 10 – CLAUSE 8 OF THE CONSTITUTION OF THE AUSTRALIAN INSTITUTE OF ENERGY

“Every member of the Institute undertakes to contribute to the assets of the Institute in the event of the Institute being wound up during the time that they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the Institute contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty dollars.”

The Institute had 1,440 members (2008: 1,405).

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
NOTE 11 – CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with surplus for the year ended 30 June 2009.		
Surplus for the year	89,595	9,209
Depreciation	-	329
(Increase) Decrease in receivables	10,613	(3,365)
(Increase) Decrease in inventories	285	278
(Increase) Decrease in prepayments	74	830
Increase (Decrease) in creditors	25,523	19,228
Increase (decrease) in unearned income	6,450	-
Net cash flow from operating activities	132,540	26,059
b. Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
– Cash and cash equivalents	745,142	552,490

NOTE 12 - SEGMENT INFORMATION

The Australian Institute of Energy is an Australian professional association operating to advance the development of all energy disciplines, by publishing a journal and holding conferences, seminars and meetings on energy related topics. The operating surplus of \$89,595 (2008: \$9,207) was derived entirely from these activities.

NOTE 13 - RELATED PARTY INFORMATION

The following persons each held office as Directors of Australian Institute of Energy during the year ended 30 June 2009:

David Allardice	Tony Forster	Colin Paulson
Patrick Burke	James Giblin	Dennis van Puyvelde
Michael Cochrane	Paul McGregor	Paul Riordan
Glen Currie	Murray Meaton	Tony Vassallo
Andrew Dicks	Malcolm Messenger	Gerry Watts

Directors do not receive any remuneration or other benefits. Consequently there are no key management personnel compensation benefits to disclose.

NOTE 14 – FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The entity's financial instruments consist solely of deposits with banks, accounts receivable and payable. The entity does not have any derivative instruments at 30 June 2009.

- i. Treasury Risk Management
The board of directors meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.
- ii. Financial Risk Exposure and Management
The main risks the entity is exposed to through its financial instruments are interest rate risk and liquidity risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate bank deposits. At 30 June 2009 approximately 33% of bank deposits are on fixed terms.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 13 – FINANCIAL RISK MANAGEMENT (cont'd)

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows.

Credit risk

The entity does not have any material credit risk exposure.

Price risk

The entity is not exposed to any material commodity price risk.

b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non Interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and cash equivalents	4.81	5.33	495,960	369,445	249,182	183,045	-	-	745,142	552,490
Trade and other receivables	-	-	-	-	-	-	8,171	18,784	8,171	18,784
Total financial assets			<u>495,960</u>	<u>369,445</u>	<u>249,182</u>	<u>183,045</u>	<u>8,171</u>	<u>18,784</u>	<u>753,313</u>	<u>571,274</u>
Financial Liabilities										
Trade and other payables	-	-	-	-	-	-	172,279	80,194	80,194	80,194
Total financial liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,179</u>	<u>80,194</u>	<u>172,179</u>	<u>80,194</u>

Trade and other payables comprise principally of subscriptions received in advance in the amount of \$77,026 (2008: \$70,576), IAHE/AAHE funds held in trust of \$60,112 (2008: \$Nil) and the following other payables which are expected to be paid as follows:

	2009	2008
	\$	\$
Less than 6 months	35,141	9,618
6 months to 1 year	-	-
Total trade and other payables	<u>35,141</u>	<u>9,618</u>

Trade and other receivables are expected to be collected within 30 days.

Sensitivity analysis

Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity with could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

Change in profit

- Increase in interest rate by 2%	15,000	11,000
- Decrease in interest rate by 2%	(15,000)	(11,000)

Change in equity

- Increase in interest rate by 2%	15,000	11,000
- Decrease in interest rate by 2%	(15,000)	(11,000)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
NOTE 15 – AUDITORS’ REMUNERATION		
Audit fees paid to Bentleys	5,639	7,162
Audit fees paid to branch auditors	1,844	1,482
	<hr/>	<hr/>
	7,483	8,644
	<hr/>	<hr/>

NOTE 16 – EVENTS AFTER THE BALANCE SHEET DATE

- a. No significant events have occurred after the balance sheet date.
- b. The financial report was authorised for issue on the date specified in the Directors’ Declaration.

NOTE 17 – COMPANY DETAILS

The registered office of the company is:
The Australian Institute of Energy
First Floor, 613 Canterbury Road
Surrey Hills Vic 3127

The company did not employ any staff on a full time basis during the year.

DECLARATION BY THE BOARD

The Directors of the Australian Institute of Energy declare that:

1. The financial statements and notes, as set out on pages 3 to 11, are in accordance with the *Corporations Act 2001*;
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position of the Institute as at 30 June 2009 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



Glen Currie
Honorary Treasurer

Dated: 23 October 2009

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF ENERGY**

Report on the Financial Report

I have audited the accompanying financial report of the Australian Institute of Energy (the Institute), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Institute comprising the consolidated accounts of the Institute and the Branches and Division it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Institute are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes complies with IFRS.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The names of the branches and the division controlled during all or part of, or at the end of the financial year are set out below. We have not acted as auditors for all of these branches and the division. We have, however, received sufficient information concerning those branches and the division to enable us to form an opinion on the consolidated accounts.

Brisbane Branch;	Perth Branch;
Canberra Branch;	South Australia Branch;
Melbourne Branch;	Sydney Branch;
Newcastle Branch;	Tasmania Branch; and
Hydrogen Division.	

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

Independence

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

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF ENERGY**

Auditor's Opinion

In our opinion:

the financial report of the Australian Institute of Energy is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Institute's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



John Francis Watty
Registered Company Auditor
255 Whitehorse Road
Balwyn

Dated: 23 October 2009

**AUSTRALIAN INSTITUTE OF ENERGY - BOARD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009	2008
		\$	\$
<u>REVENUE FROM ORDINARY ACTIVITIES</u>			
Interest received		22,011	20,197
Contributions to scholarship funds		10,000	23,987
Profit share from conferences		36,067	16,964
Subscriptions		133,196	129,419
Journal sales and advertising		9,244	3,340
Sundry income		1,512	321
		212,030	194,228
<u>EXPENDITURE FROM ORDINARY ACTIVITIES</u>			
AIE promotion and development		3,308	2,487
Audit and accounting fees		5,639	7,162
Bank charges		2,214	2,728
Cost of sales		75	165
Depreciation		-	329
General expenses		799	433
Grants to branches		3,000	-
Insurance		3,936	4,614
Internet expenses		8,694	6,675
Journal publication costs		52,104	52,761
Meeting and function expenses		-	-
Office equipment purchases		-	88
Postage and telephone		3,736	5,441
Printing and stationery		3,233	6,338
Scholarships, prizes and awards		-	11,032
Travel		9,781	13,751
Administration services		56,163	54,854
		152,682	168,858
TRADING SURPLUS FOR YEAR		59,348	25,370
Plus: Transfer from Gippsland Reserve		15,000	-
SURPLUS FOR YEAR		74,348	25,370

**AUSTRALIAN INSTITUTE OF ENERGY - BOARD
BALANCE SHEET
AS AT 30 JUNE 2009**

<u>CURRENT ASSETS</u>	NOTE	2009	2008
		\$	\$
Cash and cash equivalents – Scholarship Reserve		81,621	66,614
Cash and cash equivalents – Other		471,766	302,437
Trade and other receivables		2,805	10,000
Prepayments		1,521	1,595
Inventories		2,166	2,241
TOTAL CURRENT ASSETS		559,879	382,887
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment		-	1,425
Less: Accumulated depreciation		-	(1,425)
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		559,879	382,887
<u>CURRENT LIABILITIES</u>			
Trade and other payables		33,192	10,981
Subscriptions received in advance		77,026	70,576
IAHE/AAHE funds held in trust		60,112	-
Branch and division funds		28,871	-
TOTAL CURRENT LIABILITIES		199,201	81,557
<u>NON-CURRENT LIABILITIES</u>			
Contribution received – Balance of ECA Scholarship Contribution	1	8,013	8,013
TOTAL LIABILITIES		207,214	89,570
NET ASSETS		352,665	293,317
<u>EQUITY</u>			
Retained Surplus at the beginning of the financial year		278,317	252,947
Net Surplus for the financial year		74,348	25,370
Retained Surplus at the ending of the financial year		352,665	278,317
Gippsland Reserve		-	15,000
TOTAL EQUITY		352,665	293,317

Note 1

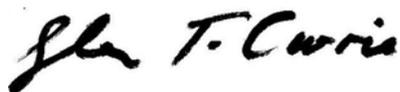
An amount of \$25,000, which was previously received by the Sydney branch during the 2005 financial year from the Energy Council of Australia, was transferred to the Board in the 2007 financial year.

This amount has been earmarked for a national scholarship fund. The amount received has been recorded as a non-current liability in the Board's financial report and will be credited to income as and when scholarship expenses are incurred. During the 2007 financial year an amount of \$6,000 was paid as scholarship and a corresponding amount was recognised in the Board's revenue. During the 2008 financial year, a further amount of \$10,987 was paid as scholarship and a corresponding amount was recognised in the Boards' revenue. No amounts were paid out as scholarship during the 2009 financial year.

AUSTRALIAN INSTITUTE OF ENERGY - BOARD

TREASURER'S REPORT

The attached Income Statement and Balance Sheet for the year 1 July 2008 to 30 June 2009 are in accordance with the books and records and present a true and fair view of the state of affairs as at 30 June 2009 and of the results for the year ended on that date for the Board of the Australian Institute of Energy.



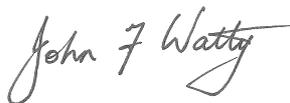
Glen Currie
Honorary Treasurer

Dated: 23 October 2009

Melbourne

**AUSTRALIAN INSTITUTE OF ENERGY - BOARD
AUDITOR'S REPORT**

The attached Income Statement and Balance Sheet for the year 1 July 2008 to 30 June 2009 are in accordance with the books and records and present a true and fair view of the state of affairs as at 30 June 2009 and of the results for the year ended on that date for the Board of the Australian Institute of Energy.



John Francis Watty
Registered Company Auditor
255 Whitehorse Rd
Balwyn Vic 3103

Dated: 23 October 2009