

**THE AUSTRALIAN
INSTITUTE *of* ENERGY**



**2007/2008
ANNUAL REPORT
& ACCOUNTS**

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THE AUSTRALIAN INSTITUTE *of* ENERGY

Annual Report for 2007/2008

PRESIDENT'S REPORT 2007/2008

This has been another wonderfully stimulating year in the energy field. The debate on greenhouse emissions and climate change raised the profile of energy professionals everywhere while high prices kept the energy sector in the spotlight. A few well publicised supply outages reminded us all that supply security is an ongoing responsibility – low costs are demanded until the lights go out and then cost becomes a secondary factor.

With our eight branches across Australia, the Institute has played an active role in increasing the level of “informed” debate in energy issues. With volatile fuel prices, an increasingly environmentally conscious community and concerns with energy supply security, the vision of low cost energy combined with low emission technologies is a fading dream.

I would like to express my appreciation for the support I receive from the AIE Executive and in particular, Treasurer David Allardice and Secretary Paul McGregor. 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.

A private company, PAMS, took over many of our administrative functions in February of 2008 and have worked hard with our Executive to provide a professional support service. Sadly, the days of relying on volunteers to meet all our administrative needs are over. Not for profit organisations like ours 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 retaining the “involvement” of an ageing and busy membership, the best way of responding to media inquiries, how to continue to strengthen and grow our membership and ways of ensuring proper governance in a demanding regulatory environment. These issues will continue to demand our attention in the future along with new challenges.

The Institute has run more than 55 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. Our journal and website keep members and the public informed on a broad range of energy issues. Postgraduate scholarships, a national study award and the very active Young Energy Professionals Group in Sydney ensure we continue to foster the involvement of younger energy professionals.

A highlight for the year was the AIE's hosting of the 17th World Hydrogen Energy Conference in Brisbane in June 2008. Our congratulations go to Dr Andrew Dicks and his small committee on the organisation such a successful event, which attracted over 600 delegates and returned a modest surplus in the process.

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.

Murray Meaton

President

SECRETARY'S REPORT

The Directors who served on the AIE Board in 2007/08 were:

Mr Murray Meaton	President
Mr Tony Forster	Vice-President (to 11 March 2008)
Dr Tony Vassallo	Vice-President (from 11 March 2008)
Mr Paul McGregor	Hon Secretary
Dr David Allardice	Hon Treasurer
Mr Ross Calvert	(To 10 March 2008)
Mrs Joy Claridge	(To 10 March 2008)
Dr Andrew Dicks	
Mr Rob Fowler	(To 10 March 2008)
Dr Malcolm Messenger	
Mr Colin Paulson	
Mr Paul Riordan	(From 11 March 2008)
Mr Dennis van Puyvelde	(From 11 March 2008)
Mr Gerry Watts	

As the list indicates, the AIE lost through retirement at the end of 2007, three Directors who have made a significant contribution to the Institute:

- Ross Calvert joined the Board in 1994 and was AIE President in 1998 and 1999. He has assisted the Institute in many other capacities and continues as an officer in Canberra Branch.
- Joy Claridge joined the Board in 2003, a year after she took on the role of editing the AIE Energy News Journal when the then editor unexpectedly resigned. Joy has retired from the Board but continues in the demanding role of journal editor (see separate report below).
- Rob Fowler joined the Board in 2005 and was significant contributor to the journal editorial committee.

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

We welcomed two new directors to the Board in 2008, Paul Riordan and Dennis van Puyvelde, both from Canberra Branch. They are already making a significant contribution to the Institute's management.

During the year, the AIE's secretariat functions transferred from Ted Campbell of Campbell Executive Services to PAMS. The Board thanks Ted for his contribution over the last 3 years and for his constructive approach and support for the transition to PAMS.

Administratively, 2007/2008 has been a year of change for the Institute although this has not adversely impacted on our services to members.

Paul McGregor

Honorary Secretary

CHANGES TO THE AIE SECRETARIAT

The AIE has a volunteer Board of Directors and requires the support of a paid secretariat service to manage the day to day operation of the Institute. Vivien Paulson served the Board (then Council) as its Secretary for 27 years from the formation of the Institute, and Ted Campbell was Executive Officer for the past three years.

The role includes maintaining the Membership database, invoicing and banking of member subscriptions, handling member enquiries, arranging and taking the minutes at Board meetings, ensuring the AIE meets its increasingly complex corporate governance and reporting obligations and numerous other back room administrative functions. The function has become progressively more demanding with the increased scrutiny by ASIC under the Corporations Act, GST registration and its impact across the organisation and the increasing computerisation of record keeping, accounting, communication and most other aspects of administration. The expanding skill set required is becoming increasingly difficult to find in an individual.

In December 2007, the AIE Board contracted with Professional Association Management Services Ltd (PAMS) to provide its administrative services as well as the AIE's registered office and accounting services. The transition to professional administration commenced in February 2008, and was essentially complete by 30th June, with improved on-line services already operating, such as payment of subscriptions, editing personal data on the member database, on-line meeting bookings for Branch functions and improved email communications with members and contacts. PAMS has experienced staff with skills in each of the relevant areas and, if required, has access to legal and accounting professionals specialising in the not-for-profit sector.

The major task remaining in the transition of the AIE's administration to PAMS is the reconstruction of the AIE website as an integrated facility managed by PAMS. This task will be completed in the near future. The site will include a web page content management system to enable AIE Branches and groups to manage the content of their own web pages if they wish.

We hope that members are already seeing benefits in the service offered by PAMS but if you have any questions or concerns please, address them through a member of the AIE Executive for us to take up with PAMS management.

MEMBERSHIP REPORT

TABLE 1: AIE MEMBERSHIP DETAILS AS AT 30TH JUNE 2008

Branch	Individual Grades					Corporate		TOTAL at 30 th June	
	Fellow	Member	Grad.	Stud't	Assoc.	Corporate Members	Multiple Reps	2008	2007
Brisbane	29	85	2	4	4	4	3	131	151
Canberra	11	19	0	3	1	4	2	40	46
Melbourne	75	196	6	18	10	31	33	369	368
Newcastle	11	18	1	4	4	3	2	43	44
Perth	31	82	4	7	10	45	35	214	213
South Australia	17	71	2	14	6	16	18	144	152
Sydney	76	210	18	36	27	30	27	424	416
Tasmania	4	12	0	1	2	3	1	23	25
Overseas	6	9	2	0	0	0	0	17	16
TOTAL	260	702	35	87	64	136	121	1,405	1,431

Note: The Multiple Reps column is the number of Corporate Representatives which Corporate Member companies or organisations have in addition to their principal representative counted in the Corporate Members column.

The AIE had another successful year in attracting 134 new members. However, the demographics of our ageing population and the involvement of many members in other activities saw the loss of 160 members. This high turnover represents over 10% of the membership and is disappointing as it undermines the recruiting efforts of Branches to increase membership numbers. The net result was a decrease in membership of the Institute over 2007/2008 of 26.

Table 1 shows a breakdown of the membership by Branch and Membership Grade as of 30th June 2008 and compares the total with the previous year's figures. It shows that while most Branches had relatively stable membership numbers, the strongest growth was in Sydney (8 or 1.9% increase) and the largest loss was in Brisbane (20 or 15% decrease). This reflects the need for Branches to provide an active meeting program to maintain member satisfaction.

Table 2 shows the number of members who have ceased membership of the Institute for various reasons over the last year. The total losses were 160 (33 more than during 2006/2007), of which 73 resigned, 4 were deceased and 83 were cancelled, as required in the Constitution due to non-payment of fees for two consecutive years.

TABLE 2: CEASED MEMBERSHIP DETAILS FOR 2007/2008

Member Type	Resigned	Deceased	Cancelled	TOTAL
Individual	58	4	83	145
Corporate	15	-	0	15
TOTAL	73	4	83	160

We are now implementing through the PAMS Secretariat a more active telephone follow-up process for overdue subscriptions in the hope of increasing member retention. We have also reduced the overdue 'grace' period for payment of subscriptions from 15 months to 3 months from the due date for payment, 1st July. After that, member services and privileges will be withheld until payment is received.

Colin Paulson

Membership Committee Convener

BRANCH REPORTS

Brisbane Branch

The Brisbane Branch had a quiet year, with no meetings and the loss of key members from the committee. In addition several of the leading members in the Branch were heavily committed in the organisation of the successful 17th World Hydrogen Energy Conference in Brisbane in June 2008.

Chris Spero as Acting Chair and Treasurer for the Branch has maintained the administrative and reporting obligations for the Branch and Andrew Dicks has represented the Branch on the AIE Board. The Branch membership at 30th June 2008 was 131, down from 151 a year ago and a peak of 203 in June 2004.

Significant interest has been shown by a number of Brisbane members in serving on a reactivated committee. A meeting to reconstitute a new Branch committee is planned for November 2008, which should result in a more active program in 2009. The Board has offered to assist any revival by handling meeting registrations and providing book keeping services through PAMS. Brisbane members interested in serving on the committee or able to offer other assistance such as meeting venues, speakers or sponsorship for the Branch, can contact Andrew Dicks, Chris Spero or the AIE Secretariat at PAMS.

Canberra Branch

Canberra Branch Committee 2008:

Dennis Van Puyvelde *Chair*
 Ross Calvert *Secretary/Treasurer*
 Paul Riordan
 John Soderbaum

The Canberra Branch has a small membership with diverse interests and finding events that interest most members has been difficult while the organising of events has been time consuming. However, the advent of PAMS handling meeting registrations has reduced the administrative work load and provided an excellent solution. The Branch ran four successful events in 2007/2008.

Canberra Branch Program 2007/2008:

Date	Subject	Speakers
September 2007	"NSW & ACT Excellence in Energy Awards"	
December 2007	"Challenges Facing the Coal Industry – Solutions offered by COAL 21"	Burt Beasley, Australian Coal Association.
March 2008	"IEA's Energy Technology Perspectives Study 2008"	Nubuo Tanaka, Executive Director, International Energy Agency
June 2008	"Status of Geothermal Energy in Australia"	Susan Jeanes, Australian Geothermal; Energy Association

There was a small reduction in the Canberra Branch membership from 46 to 40 during 2007/2008, after several resignations and some new recruits. The AIE Canberra Branch has reviewed it's future operations and looks forward to a more active year in 2008/09 with the assistance of administrative support from PAMS.

Melbourne Branch

Melbourne Branch Committee 2008:

Eriks Velins *Chair*
 Alistair Urquhart *Deputy Chair*
 Glenne Drover *Hon Secretary*
 Joy Claridge *Hon Treasurer*
 David Allardice *Board Representative*
 Michael Bagot
 Lucas Bogstra
 Glen Currie
 Brian Johnston
 Brendan Millane
 David Peck

2007/2008 was a very busy year for Melbourne Branch, during which twelve exciting events were organised, including two by the Young Energy Professionals, and one site visit. The highlight was the address by the Hon Peter Batchelor, Victorian Minister for Energy and Resources.

In November 2007, Phil Happ retired from the Melbourne Committee, after 27 years continuous service and two terms as Branch Chair. The Branch wishes to acknowledge the invaluable contribution he has made to its development and we are pleased he is still a regular at our meetings.

From 1st January, 2008, Melbourne Branch contracted PAMS to provide the registration and book keeping services for meetings, leaving the Committee with more time for the planning of events. As a result, meeting attendances have risen by almost 60%.

Melbourne Branch Program 2007/2008:

Date	Subject	Speakers
23 July 2007	"Biogas - an untapped source of energy"	Torsten Fisher, MD Krieg & Fischer.
24 August 2007	"The role biofuels will play in the transport industry"	Michael Taylor, Secretary, DTRS, Canberra
20 September 2007	"Cars, trucks and planes - transport technology after peak oil"	David Lamb, Low emissions transport leader, CSIRO
8 November 2007	"Roadmap to Victoria's Energy Future - a 2020 Vision"	The Hon Peter Batchelor, Minister for Energy & Resources, Victoria
15 November 2007 YEP event	"Develop your Energy Career and See the World at the same time"	Jeff Cochrane, CEO Monash Energy
28 November, 2007 AGM	"Joint Ventures in China - Experiences and Challenges".	John Franklin, Monash Energy
14 February, 2008	"Energy and water use in brewing"	Carlton Brew House Plant Visit
26 March 2008	"HRL's 400MW IDGCC Demonstration"	Dr Peter Redlich, Director, Energy Technology Innovation DPI Victoria Gordon Carter, MD HRL.
26 March 2008 Symposium	"Increasing Interactions Between Energy and Water Markets"	Ben Skinner, TRUenergy, Andrew Catchpole, Hydro Tasmania Neville Henderson, PWC Advisory Paul Bilston, CSM Business, Lucas Energy
16 April, 2008	"The Future of Gippsland Oil and Gas/Kipper Project"	Peter Symes, Project Manager, Kipper
15 May, 2008 YEP Event	"Tilting at Windmills - An insider's perspective of the Wind Energy Industry"	Justin Brumley, Vestas David Millar Garrad Hassan Daniel Walsh, Pacific Hydro
22 May, 2008	"Energy Efficiency and Carbon Regulation"	Senator Lyn Allison Diane Barclay, Federal Greenhouse and Energy Reporting Taskforce Mick Anderson, Manager EREP Andrew Roden, Manager, EEO

Our challenge is to translate our increased attendance into increased membership. The recruitment of significant numbers of new members this year was unfortunately offset by losses. As a result, the Branch membership numbers only increased by one to 369 over 2007/08.

The Branch is in a sound financial position and contributed \$10,000 from its accumulated reserves to the AIE's Overseas Travel Scholarship Fund. It also contributed \$500 sponsorship to the Victorian Schools' 2008 Science Talent Search, the theme for 2007 being "Planet Earth – Planet of Change".

We would like to thank all speakers for their time and effort in providing such excellent presentations on leading edge technologies and emerging energy issues as well as our hosts for the site visit.

The Branch is grateful to PriceWaterhouseCoopers for the sponsorship of one event and would like to thank The Royal Society of Victoria their support for two joint events. It also would like to thank the Victorian Department of Innovation, Industry and Regional Development for the use of its function rooms for two events. Finally, the Committee would like to thank Affairs of State for the use of its Boardroom for the monthly Committee meetings.

Newcastle Branch

Newcastle Branch Committee 2008:

Jim Kelty	<i>Chairperson</i>	
Behdad Moghtaderi	<i>Hon. Secretary</i>	
Sarah Kemp	<i>Hon. Treasurer</i>	
Ian Guy	<i>Assistant Hon. Secretary</i>	
Ruth Callcott		Tom Callcott
Ted Campbell		Sarah Miller
Colin Paulson		Viv Paulson
Yanping Sun		

The primary focus of the Newcastle Branch of the AIE throughout 2007-08 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: "Clean Coal Technologies", "Renewable Energy Systems", "Transportation Fuels", and "Energy Efficiency". The Branch also contributed a review paper on clean coal technologies to the AIE journal (Volume 26, No. 2 – June 2008).

27th November 2007: Newcastle Branch hosted the AIE National Annual General Meeting. A tour of CSIRO Energy Technology Division's facilities was followed by a presentation by David Wood of Aerogenesis on "Taking Newcastle's Wind Energy Research to the World".

In association with the Centre for Energy at Newcastle University, the Branch subsequently hosted a visit by Senator Kim Carr (the Federal Minister for Innovation, Industry, Science and Research) to the University and its energy research laboratories/facilities on July 28, 2008.

Membership numbers have remained relatively steady, decreasing from 44 to 43, although new initiatives are underway to further expand the membership base.

Perth Branch

Perth Branch Committee 2008

Murray Meaton	<i>Chairperson & Board Representative</i>	
Les Farrant	<i>Vice President</i>	
Dougal West	<i>Secretary</i>	
Ken Lee	<i>Treasurer</i>	
Mark McKinnon	<i>Communications</i>	
Geoff Suttie & 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

Reflecting a strong performance of WA in international energy and minerals commodity markets over 2007/08, the WA energy sector presented a bustling scene for all involved in the energy industry. In setting there was naturally plenty of competition for the time and attention of those in the industry. However, the committee for the Perth Branch has continued to attract representation from across the industry.

The AIE's Perth Branch continued to provide good value to its members and to engage the interest of others as it delivered a well-attended lunch program covering a wide range of topical subjects. Attendances of over 230 exemplified the level of interest and debate in our program and energy generally. The Branch's active meeting program provides innovative events and networking opportunities for its members, while stimulating community awareness and debate on energy issues in a local and global context.

Functions held during the year included six very well attended luncheon seminars.

Perth Branch Program 2007/2008

Date	Topic	Speaker
25 September 2007	"The long run outlook for the Australian Power Industry"	Dr Paul Simshauser, CEO, Babcock & Brown Power
1 November 2007	"WA's new energy market – 18 months on"	Mr Jim Mitchell, MD, Synergy
21 November 2007	"Having your cake and eating it too – Can California have adequate energy while meeting stringent emission restrictions?"	Dr Perry Sioshansi, Menlo Energy Economics, California
7 May 2008	"Risks and Opportunities in a Carbon Constrained World - An Electricity Sector Perspective"	Mr Simon Middleton, Manager Business Development, Synergy
4 June 2007	"Outlook for Oil and Gas in WA"	Mr Bill Tinapple, Director of Petroleum & Royalties, WA Dept of Industry and Resources
2 July 2008	"Where to from here? Solar thermal and emission trading"	Mr Greg Denton, Worley Parsons

In association with the WA the Office of Energy, planning was well underway at June 30 for the eighth in the Energy in WA Conference series, to be held in August 2008.

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.

The Perth Branch maintained its solid membership base (214) in 2007/2008, although converting attendance at meetings into membership growth remains a challenge. The Branch maintains a strong financial position and looks forward with confidence to pursuing the vision of 'Leadership in Energy' in 2009

South Australian Branch

South Australia Branch Committee 2008

Graeme Bethune	<i>Chair</i>	
Graeme Atwell	<i>Hon. Secretary</i>	
Malcolm Messenger	<i>Hon. Treasurer</i>	
Philip Chapman		Michael Cochran
Michael Davidson		Brad Gay
Craig Langford		Shameni Nitchingham
Bruce Parker		Albert Thompson
Patrick Walsh		

Through 2007/08 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 in the rapidly changing and developing energy industry.

South Australia Branch Program 2007/2008:

Date	Topic	Speaker or Event
July 2007	"Energy and Foreign Policy"	Hon Alexander Downer
August 2007	"The Changing Structure of the Energy Industry"	Tom Richardson, Flinders Power
September 2007	"A Rapidly Growing SA Oil Company"	Reg Nelson, Beach Petroleum
October 2007	"Uranium"	Stuart Hall, Marathon Resources
November 2007 AGM	"The Evolution of Movement continues.."	Peter Scott, Shell
December 2007	"The State of the Energy Market: 2007 Review and Future Changes"	Steve Edwell, Australian Energy Regulator
February 2008	"Petrol Prices and Australian Consumers"	Graeme Samuel, ACCC
March 2008	"Legal Issues in Regulation"	Clay Wohling, Minter Ellison
April 2008	"Ainsworth on Energy"	Fraser Ainsworth
May 2008	"Leading the Development of Natural Gas Infrastructure"	Mick McCormack. APA

The SA Branch continued to support and sponsor education and awareness of the energy industry with the following key activities:

- 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 SA Branch membership numbers decreased slightly over the year from 152 to 144.

Sydney Branch

Sydney Branch Committee 2008:

Mr Paul McGregor	Chairman	
Dr David Hemming	Honorary Secretary	
Mr Graham Lowry	Honorary Treasurer	
Dr Tony Vassallo		Dr Leslie Kemeny
Mr Martin Thomas		Mr Richard Hunwick
Ms Debborah Marsh		Dr Hien Ly
Dr Chris Sorrell		Dr Sushil Gupta
Ms Manuela Crank (YEP Rep)		Mr David Hawley

2007/08 was another extremely active year for the Sydney Branch and technical meetings and symposia have been well attended. During the year we built on previous initiatives and held our second NSW & ACT Excellence in Energy Awards.

We hosted two half-day symposia during the year - "Climate Change & Energy: Challenges, Opportunities & Solutions" in July and "Distributed Energy - Ready, Willing and Able?" in October 2007. The Climate Change & Energy symposium featured seven speakers, was attended by more than 80 people across the energy industry and was sponsored by EnergyAustralia, The Nous Group and the NSW Department of Environment and Climate Change. The Distributed Energy symposium was co-hosted with the CSIRO and featured six presenters from industry, government and academia addressing topics such as the Intelligent Grid and the changing face of Distributed Energy.

Sydney Branch Program 2007/2008:

Date	Topic	Presenters
3 July 2007 YEP Event	<i>Young Energy Professionals Forum: "The Energy Future of Australia: Discussing the Asia-Pacific Partnership on Clean Development and Climate (AP6)"</i>	<i>Julian Turecek Ian MacGill Bob Pritchard</i>
11 July 2007 YEP Event	<i>Young Energy Professionals Seminar – "Personal Financial Planning"</i>	
24 July 2007	"Climate Change & Energy: Challenges, Opportunities & Solutions" - Half-day symposium	Multiple presenters
13 August 2007	"Strategic Long Term Issues in Climate Change Policy for Australia"	Ian Porter, Senior Consultant, The Nous Group
24 September 2007	NSW & ACT Excellence in Energy Awards	
9 October 2007 YEP Event	<i>Young Energy Professionals Workshop: "Communication and Influencing Skills" Workshop</i>	<i>Nicola Rothmann, Nous Group</i>
16 October 2007	"Distributed Energy - Ready, Willing & Able?" - Half-day symposium	Multiple presenters
25 October 2007 YEP Event	<i>Young Energy Professionals Networking Function</i>	<i>Hosted by CPA Australia</i>
5 November 2007	AGM and Joint Presentation with the NSW Hydrogen Division members "Transport's Future Energy Needs - Is there a Role for Hydrogen?" "Photovoltaics and Renewables"	David Kilsby Gavin Conibeer
29 November 2007 YEP Event	<i>Young Energy Professionals End-of-Year Social: "A photo presentation of study trip to Europe and Japan"</i>	<i>Nick Florin, Winner of the AIE-ECA 2006 Energy Study Award</i>
3 December 2007	"Biofuels: From policy makers to producers to end-users" "Overview and Outlook for Biofuels" "How green is your ethanol?" "Impending user's view of the drivers for the decision by Lane Cove Council"	Stephen Schuck Gavin Hughes Rob McKenna
5 March 2008	The Four Societies Meeting: "Future Prospect for Large Scale Solar Thermal Power Technologies"	Assoc Prof Keith Lovegrove, Solar Thermal Group Leader, ANU Dept of Engineering
10 March 2008	"CCS and the Future of Coal-based Power Generation in Australia"	Bede Boyle Richard Hunwick
27 March 2008 YEP Event	<i>Young Energy Professionals Talk: "Interface Between Energy Technology Development and Energy Policy"</i>	<i>Dr David Hemming Dr Mark Diesendorf</i>
21 April 2008	"APEC: Its Role in Energy Security and Climate Change and What It Means for Australia"	Robert Pritchard, MD, Resources Law International

Date	Topic	Presenters
22 April 2008 YEP Event	Young Energy Professionals Workshop: "Making Meetings Matter"	Richard and Maria Maguire, Unfolding Futures
5 May 2008	"Energy Recovery from Waste / Energy sources for Power Generation"	Elmar Offenbacher, Austrian Energy & Environment
2 June 2008	"Low Emission Embedded Power and Sewage Disinfection"	Ray Cummings, Director of DUT Pty Ltd
17 June 2008 YEP Event	Young Energy Professionals Workshop: "Energy Efficiency: What Are We Waiting For?"	Doug Thompson - National Framework for Energy Efficiency Mike Jones - Energetics Alistair Sproul - UNSW Brian Callaghan - Rheem Aust - Solahart

During the year we continued our efforts to attract a diverse range of energy professionals to our meetings, and this has resulted in steadily increasing attendance. We are very pleased to see a growing number of students and young energy professionals also attend and participate in these presentations, and we acknowledge the generous sponsorship of the Young Energy Professionals (YEP) group by Energetics.

2007/2008 was a year of growth for the Sydney Branch YEPs, with an expanding program and membership, increasing sponsorship and the organisation of seven events. The events ranged from workshops and seminars up to the largest event in June - the Energy Efficiency Forum in which 4 speakers led a group workshop with Young Professionals from all over the industry.

The year also saw greater interaction with other Young Professional groups including Young Engineers, Engineers Without Borders and even a combined event with Young Water. The program was helped by the excellent participation of Steven Nethery, Sali Torgoman, Manuela Crank, Anthony Parrington, Deborrah Marsh, Susie Wood, Nic Florin, Stuart Donaldson, James Giblin and Matthew Linney. Next year looks to be even bigger with the launch of a branding initiative and a membership drive.

Sydney's active meeting program and growing YEPs group enabled the Branch to achieve a net increase in membership over the year, from 416 to 424.

The Branch thanks 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 our committee meetings. We also thank CSIRO at Lindfield, Blake Dawson, the NSW Department of State and Regional Development, and the University of Technology Sydney for the use of their facilities for our technical presentations and other functions. The support of these organisations is crucial for us to continue to provide our members with an interesting and challenging program during the year.

We also thank the speakers for their time and efforts in making presentations to our members and to the hosts of special meetings held, without this support the Committee would be unable to provide such an interesting and diverse range of activities.

Tasmanian Branch

Tasmanian Branch Committee 2008:

Patrick Burke	<i>Chair</i>
Arthur Masters	<i>Vice Chair</i>
Gerry Watts	<i>Treasurer</i>
Melisa Jackson	<i>Secretary</i>
Paul Turvey	
Sue Fama	
Graham Wolfe	

The Tasmanian Branch committee is a small group dedicated to providing Tasmanian's with understanding and awareness of energy issues locally, nationally and globally. This year the Committee farewelled Shilpa Karri who has provided several years of dedicated service.

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.

Tasmanian Branch Committee would like to acknowledge the ongoing support of the National Board, which has assisted with our continuing viability.

Two meetings were organised during the year and both were very well attended and made a small profit. This is a pleasing result for a Branch with only 23 members.

Tasmanian Branch Program for 2007/2008:

Date	Topic	Presenters
July 2007	"Basslink, Tasmania and the Drought"	Dr Mike Connarty Hydro Tasmania
May 2008	"The drought and Tasmania's energy situation: Plug into the facts."	Ian Barns-Keoghan, Bureau of Meteorology Wes Ford, Dept Primary Industries & Water David Marshall, Hydro Tasmania

Hydrogen Division

The Hydrogen Division leadership in 2007-08 focussed on organising the highly successful World Hydrogen Energy Conference (WHEC) in Brisbane in June 2008.

While the Division did not organise a separate meeting program for the year, it cooperated with other AIE Branches which held hydrogen related meetings.

Following the successful completion of WHEC, the future structure and operations of the Division are being reviewed by its stakeholders.

YOUNG ENERGY PROFESSIONALS (YEPS)

This encouraging movement within the AIE membership continues to gain momentum which augurs well for the future of the Institute. The foundation YEP group in Sydney has now been joined by a similar group in Melbourne.

Nine YEP meetings were held during the year, seven in Sydney and two in Melbourne. These meetings are listed and described in the respective host Branch programs above.

It is hoped the YEPS initiative will spread to other Branches and the formative work done by Sydney provides a model for others to build on. The existing groups are happy to provide advice to new start up YEP groups.

A separate web page for YEPS is planned for the near future and a number of other marketing initiatives are being considered.

17th WORLD HYDROGEN ENERGY CONFERENCE 2008

The 17th World Hydrogen Energy Conference (WHEC2008) was held in Brisbane from 15th to 19th June 2008, hosted by AIE and its Hydrogen Division in Brisbane on behalf of the International Association for Hydrogen Energy (IAHE).

WHEC 2008 Local Organising Committee:

Dr Andrew Dicks	<i>Chairperson</i>	
Dr David Rand	<i>Vice Chairperson</i>	
Mr Luigi Bonadio		Ms Sharon Denny
Dr Martin Gellender		Mr Robert Grant
Mr Colin Kinner		

Registrations

WHEC 2008 attracted over 630 delegates from 45 countries. Australia provided 236 registrations, Japan, our nearest neighbour with a large hydrogen and fuel cell program, had 71 delegates and other Asian countries were also well represented including Korea (39), Taiwan (15), China (8), India (5) and Malaysia (4). North America had 42 delegates and Europe provided most of the others. Germany alone had 29 delegates and is hosting WHEC 2010 in Essen. A significant number of participants came from Russia, the Far East and Middle East and countries as far afield as Iceland.

Program and Exhibition

The WHEC Program Committee reviewed close to 500 abstracts and selected 165 for oral presentation, the remainder allocated as posters. In addition there were 12 invited plenary presentations, including the conference opening address, given by the Hon Dr Barry Jones on "Supplying Energy to a Changing World."

The program incorporated a session devoted to Hydrogen Islands as well as sessions devoted to more conventional aspects of hydrogen energy and its applications – such as production, storage and utilisation. A Hydrogen Roadmap Workshop was held on the second day of the conference.

The associated trade exhibition had twenty three booths led by the German Pavilion, the Queensland Government Stand and the Canadian Pavilion. Other Australian exhibitors were the Queensland based Alternative Energy International, BOC, and Eden Energy. The AIE also had a small stand promoting membership in the Institute.

Media Coverage

Prior to the conference, the event had been marketed through many international journals and magazines, links provided on all of the major hydrogen and fuel cell websites and articles in Engineers Australia Journals, Gas World and the AIE's Energy News journal.. Joy Claridge was employed as a media consultant. The event was well covered in advance and during the conference by the ABC radio (both local and national) and newspapers. Channel 7 and Channel 9 also ran news items during the conference itself. A film crew was there to capture the event for a future educational programme.

International Education Forum

An education forum was run in parallel with the main program as an integral part of the conference. It brought together some sixty 15-year old students and their teachers from Australia, New Zealand, and the USA. Overall this ground breaking event coordinated by Lui Bonadio was deemed a major success and a similar event will be held at the 2010 conference.

Additional meetings

Prior to the conference, the International Standards Organisation (ISO) held a meeting of their Technical Committee on Hydrogen Technologies (TC/197). This is usually held in conjunction with the WHEC and is organised by the host country's Standards Association. In the absence of an active involvement by Standards Australia, Brisbane City Council acted as hosts for this meeting. The feedback that we have received from the participants has been outstanding.

A meeting of the Partnership for Advancing the Transition to Hydrogen (PATH) was held during the conference. This is a partnership between the leading hydrogen organisations in each of the major developed (and developing nations). At this meeting it was agreed that the AIE should represent Australia on this organization. Meetings of the International Energy Agency Hydrogen Implementing Agreement and the International Partnership for the Hydrogen Economy (IPHE) were also held in conjunction with the WHEC.

Benefit to AIE

WHEC 2008 was a major success in promoting hydrogen energy in our region as well as the roles of IAHE and the AIE as the host organisation. By attracting significantly more delegates than the budget breakeven figure, WHEC 2008 will have a financial surplus when the accounts are finalized. This will be shared between AIE and IAHE in accordance with the hosting agreement.

Conference Chair Dr Andrew Dicks and the Local Organising Committee are to be congratulated on a job well done.

AIE-ECA STUDY AWARDS FOR 2007/2008 AND THE AIE SCHOLARSHIP FUND

The AIE was pleased to be able to offer two study awards during the 2007/08 financial year. The 2007 scholarship was awarded to Debbie Marsh, a PhD student at the University of Technology, Sydney. Debbie used the award to present a paper to the Adaptive and Integrated Water Management conference in Switzerland. She followed this with visits to the Centre for Energy Policy and Economics at the Swiss Federal Institute of Technology, and then to the UN Environment Program's Energy Branch in Paris to learn more about their programs to assist the delivery of energy services in developing countries.

The 2008 scholarship was awarded to Bradley Ladewig, a post-doctoral research fellow at the University of Queensland working on new, low energy technologies for desalination. Bradley used the scholarship to attend and present a paper at the International Congress on Membranes and Membrane Processes in Hawaii, followed by a course at ANSTO AINSE Neutron School on Materials to learn about neutron techniques for materials research and development.

These scholarships have been funded with a grant from the Energy Council of Australia in recognition of AIE's contribution in organising the Youth Forum at the 2004 World energy Congress in Sydney. These ECA funds will soon be exhausted, but 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 are well on the way to reaching 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, 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 issues were published in 2007–08 and, after a successful trial in the September 2007 issue, all subsequent issues have been in full colour in a new attractive format. The Board in June 2008 agreed that the size will be expanded from 28 to 32 pages, if suitable material is available.

This year, the journal is covering more of its costs to the Institute through advertising, particularly through the Corporate Member Directory. The directory has proved very popular because it gives Corporate Members 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. We would like to see this section become a permanent feature of the journal.

Our editor, Joy Claridge, is always delighted to receive content from members, so don't be shy in putting material forward in 2008–09. The Board congratulates Joy on her excellent work in steadily raising the standard and profile of the Journal, which is a major component of the services provided to AIE members.

Monthly Email News

This year the Board has utilised the facilities provided by PAMS to distribute an expanded 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.

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

We are currently redeveloping the AIE webpage at www.aie.org.au to incorporate a website content management system to enable Branches and other users to manage their own web page, and a range of new on-line services. Some of these services are already available on the temporary site created by PAMS at www.pams.org.au/aieat. It is hoped that this process will be completed shortly and a fully integrated site including the new PAMS features will be available at the long term AIE URL, www.aie.org.au.

Some of the services already available on the new site include on-line payment of subscriptions and registrations for meetings, and the ability to edit the information on your personal database record on line. In future we hope to extend the web site services to include on-line applications for membership, forums to debate energy issues, a page for Young Energy Professionals and access to back issues of the AIE Energy News Journal.

In the interim, we apologise for any inconvenience while the site is under development. If you are having trouble finding your favourite pages on the site please phone our free call number for assistance (1800 629 945).

THE AUSTRALIAN INSTITUTE *of* ENERGY

ABN 95 001 509 173

DIRECTORS' REPORT AND ANNUAL AUDITED ACCOUNTS TO 30TH JUNE 2008

The Australian Institute of Energy is a Company Limited by Guarantee, registered under the Corporations Act 2001.

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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 2008.

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

David Allardice	Rob Fowler	Dennis van Puyvelde
Ross Calvert	Paul McGregor	Paul Riordan
Joy Claridge	Murray Meaton	Tony Vassallo
Andrew Dicks	Malcolm Messenger	Gerry Watts
Tony Forster	Colin Paulson	

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 \$9,209 (2007: \$49,461).

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 2008 and the number of meetings attended by each Director.

Director	Board Meetings	
	Attended	Eligible
Mr Murray Meaton (President)	4	4
Mr Tony Forster (Vice President to 11 March 2008)	4	4
Mr Tony Vassallo (Vice-President from 11 March 2008)	3	4
Mr Paul McGregor (Hon Secretary)	4	4
Dr David Allardice (Hon Treasurer)	4	4
Mr Ross Calvert (to 10 March 2008)	2	2
Mrs Joy Claridge (to 10 March 2008)	1	2
Dr Andrew Dicks	2	4
Mr Rob Fowler (to March 2008)	0	2
Dr Malcolm Messenger	4	4
Mr Colin Paulson	3	4
Mr Paul Riordan (from 11 March 2008)	2	2
Dr Dennis van Puyvelde (from March 2008)	2	2
Mr Gerry Watts	2	4

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.

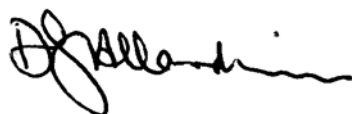
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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:

David Allardice - Honorary Treasurer



Dated: 21 October 2008

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 2008, 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.



Bentleys
Brisbane Partnership
Chartered Accountants



P M Power
Audit Partner

Dated: 21 October 2008

Brisbane

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	NOTE	2008	2007
		\$	\$
<u>REVENUE FROM ORDINARY ACTIVITIES</u>			
Operating activities			
Proceeds from meetings, functions and conferences		230,324	166,260
Conference sponsorship and other revenue		20,206	20,422
Subscriptions from members		131,546	112,938
Journal sales and advertising		3,340	682
		385,416	300,302
Non-operating activities			
Interest received		28,759	22,681
		28,759	22,681
TOTAL REVENUE FROM ORDINARY ACTIVITIES		414,175	322,983
<u>EXPENDITURE FROM ORDINARY ACTIVITIES</u>			
AIE promotion and development		3,631	7,474
Audit and accountancy fees	14	8,644	5,118
Bank charges		7,113	5,580
Conference expenses		-	553
Cost of ties sold and gifted		383	564
Depreciation		329	2,459
General expenses		8,235	3,959
Insurance		4,614	4,741
Internet page		6,675	6,077
Journal publication costs		54,061	47,180
Meetings and functions		173,442	95,521
Office equipment purchases		88	272
Postage and telephone		7,362	7,030
Printing and stationery		9,367	8,047
Scholarships, prizes and awards		18,658	16,267
Sponsorship		7,500	3,100
Subscriptions		-	188
Travel		13,782	8,886
Administration services		81,082	50,506
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		404,966	273,522
SURPLUS FOR THE YEAR		9,209	49,461

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

**BALANCE SHEET
AS AT 30 JUNE 2008**

<u>CURRENT ASSETS</u>	NOTE	2008 \$	2007 \$
Cash and cash equivalents	2	552,490	525,981
Trade and other receivables	3	18,784	15,419
Inventories	4	2,886	3,164
Other current assets	5	1,595	2,425
TOTAL CURRENT ASSETS		575,755	546,989
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	6	-	329
TOTAL NON-CURRENT ASSETS		-	329
TOTAL ASSETS		575,755	547,318
<u>CURRENT LIABILITIES</u>			
Trade and other payables	7	80,194	60,966
Prepaid sponsorship		-	-
TOTAL CURRENT LIABILITIES		80,194	60,966
TOTAL LIABILITIES		80,194	60,966
NET ASSETS		495,561	486,352
<u>EQUITY</u>			
Gippsland Reserve	8	15,000	15,000
Retained Earnings		480,561	471,352
TOTAL EQUITY		495,561	486,352

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 2008**

	Retained Earnings	Gippsland Reserve	Total
	\$	\$	\$
Balance at 30 June 2006	421,891	15,000	436,891
Surplus for the year	49,461	-	49,461
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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

		2008	2007
		\$	\$
Cash flows from Operating Activities			
Receipts from operating activities		398,761	377,065
Interest received		28,759	22,681
Payments for operating activities		(401,011)	(360,914)
Net cash flow provided by operating activities	10a	26,509	38,832
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash held		26,509	38,832
Cash at the beginning of the financial year		525,981	487,149
Cash at the end of the financial year	10b	552,490	525,981

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

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 2008 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 2008**

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 2008**

	2008 \$	2007 \$
NOTE 2 – CASH AND CASH EQUIVALENTS		
Cash and cash equivalents – Scholarship Reserve	66,614	44,000
Cash and cash equivalents – Other	485,876	481,981
	552,490	525,981
NOTE 3 – TRADE AND OTHER RECEIVABLES		
Other receivables	18,784	15,419
NOTE 4 – INVENTORIES		
Stock of ties	2,040	2,243
Wine	-	75
Stock of AIE medals	846	846
	2,886	3,164
NOTE 5 – OTHER CURRENT ASSETS		
Other	-	1,000
Prepayments	1,595	1,425
	1,595	2,425
NOTE 6 – PROPERTY, PLANT AND EQUIPMENT		
Equipment – at cost	1,425	1,425
Less: Accumulated depreciation	(1,425)	(1,096)
	-	329
NOTE 7 – TRADE AND OTHER PAYABLES		
Accrued expenses	7,772	4,890
Sundry creditors	571	340
GST	1,275	1,870
Subscriptions received in advance	70,576	53,866
	80,194	60,966
NOTE 8 – RESERVES		
Gippsland Reserve	15,000	15,000
Opening balance	15,000	15,000
Transfer from Retained Profits	-	-
Closing balance	15,000	15,000

The reserve contains funds relating to the Gippsland Branch following its closure during the 2003 financial year.

NOTE 9 – 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 1,405 members (2007: 1,431).

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
NOTE 10 – CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with surplus for the year ended 30 June 2008.		
Surplus for the year	9,209	49,461
Depreciation	329	2,459
(Increase) Decrease in receivables	(3,365)	(1,260)
(Increase) Decrease in inventories	278	216
(Increase) Decrease in prepayments	830	(26)
Increase (Decrease) in creditors	19,228	(12,018)
Net cash flow from operating activities	26,509	38,832
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	552,490	525,981

NOTE 11 - 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 \$9,209 (2007: \$49,461) was derived entirely from these activities.

NOTE 12 - RELATED PARTY INFORMATION

The following persons each held office as Directors of Australian Institute of Energy during the year ended 30 June 2008:

David Allardice	Rob Fowler	Dennis van Puyvelde
Ross Calvert	Paul McGregor	Paul Riordan
Joy Claridge	Murray Meaton	Tony Vassallo
Andrew Dicks	Malcolm Messenger	Gerry Watts
Tony Forster	Colin Paulson	

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

NOTE 13 – 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 2008.

- 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 2008 approximately 33% of bank deposits are on fixed terms.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2008**

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	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash and cash equivalents	5.33	4.48	369,445	350,999	183,045	174,982	-	-	552,490	525,981
Trade and other receivables	-	-	-	-	-	-	18,784	15,419	18,784	15,419
Total financial assets			<u>369,445</u>	<u>350,999</u>	<u>183,045</u>	<u>174,982</u>	<u>18,784</u>	<u>15,419</u>	<u>571,274</u>	<u>541,400</u>
Financial Liabilities										
Trade and other payables	-	-	-	-	-	-	80,194	60,966	80,194	60,966
Total financial liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,194</u>	<u>60,966</u>	<u>80,194</u>	<u>60,966</u>

Trade and other payables comprise principally of subscriptions received in advance in the amount of \$70,576 (2007: \$53,866) and the following other payables which are expected to be paid as follows:

	2008	2007
	\$	\$
Less than 6 months	9,618	7,100
6 months to 1 year	-	-
Total trade and other payables	<u>9,618</u>	<u>7,100</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 2008, 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%	11,000	10,500
- Decrease in interest rate by 2%	(11,000)	(10,500)

Change in equity

- Increase in interest rate by 2%	11,000	10,500
- Decrease in interest rate by 2%	(11,000)	(10,500)

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 2008**

	2008	2007
	\$	\$
NOTE 14 – AUDITORS’ REMUNERATION		
Audit fees paid to Bentleys	7,162	3,690
Audit fees paid to branch auditors	1,482	1,428
	8,644	5,118

NOTE 15 – 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 16 - CHANGES TO AUSTRALIAN ACCOUNTING STANDARDS

The following Australian Accounting Standards issued or amended which are applicable to the Australian Institute of Energy but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1 AASB 101	First time adoption of AIFRS Presentation of Financial Statements
	AASB 107 AASB 111 AASB 116 AASB 138	Cash Flow Statements Construction Contracts Property, Plant and Equipment Intangible Assets
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements
AASB 101 Presentation of Financial Statements	AASB 101	Presentation of Financial Statements
AASB 1004 Contributions	AASB 1004	Contributions

Application date of Standards: 1 January 2009
(Except AASB 1004, which is effective from 1 July 2008)

Application date for Company: 1 July 2009
(except AASB 1004, which applies to the Company from 1 July 2008)

Outline of Above Amendments

These amendments will involve changes to some of the disclosures within the financial report as well as presentation thereof. However, it is not expected that the amendments will result in material changes to the amounts included in the financial report.

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

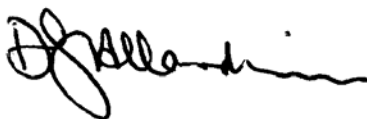
The company did not employ any staff on a full time basis during the year.

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 2008 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:

A handwritten signature in black ink, appearing to read 'D Allardice', with a stylized flourish at the end.

David Allardice
Honorary Treasurer

Dated: 21 October 2008

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

Report on the Financial Report

We have audited the accompanying financial report of the Australian Institute of Energy (the Institute), which comprises the balance sheet as at 30 June 2008, 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

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These 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;
Canberra Branch;
Melbourne Branch;
Newcastle Branch;
Hydrogen Division.

Perth Branch;
South Australia Branch;
Sydney Branch;
Tasmania Branch; and

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:

- a. 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 2008 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.

- b. the financial report also complies with International Financial Reporting standards as disclosed in Note 1.

Bentleys

Martin Power

Bentleys

P M Power

Brisbane Partnership
Chartered Accountants

Audit Partner

Dated: 21 October 2008

Brisbane

**AUSTRALIAN INSTITUTE OF ENERGY - BOARD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008	2007
		\$	\$
<u>REVENUE FROM ORDINARY ACTIVITIES</u>			
Interest received		20,197	16,565
Contributions to scholarship funds		23,987	6,000
Profit share of conferences		16,964	10,000
Subscriptions		129,419	111,050
Journal sales and advertising		3,340	682
Sundry income		321	986
		194,228	145,283
<u>EXPENDITURE FROM ORDINARY ACTIVITIES</u>			
AIE promotion and development		2,487	1,036
Audit and accounting fees		7,162	3,690
Bank charges		2,728	3,142
Cost of sales		165	414
Depreciation		329	356
General expenses		433	223
Grants to branches		-	2,500
Insurance		4,614	4,741
Internet page		6,675	5,568
Journal publication costs		52,761	45,867
Meeting and function expenses		-	1,771
Office equipment purchases		88	272
Postage and telephone		5,441	4,730
Printing and stationery		6,338	5,223
Scholarships, prizes and awards		11,032	6,396
Travel		13,751	8,572
Administration services		54,854	30,849
		168,858	125,350
SURPLUS FOR YEAR		25,370	19,933

**AUSTRALIAN INSTITUTE OF ENERGY - BOARD
BALANCE SHEET
AS AT 30 JUNE 2008**

<u>CURRENT ASSETS</u>	NOTE	2008	2007
		\$	\$
Cash and cash equivalents – Scholarship Reserve		66,614	44,000
Cash and cash equivalents – Other		302,437	288,913
Trade and other receivables		10,000	10,000
Prepayments		1,595	1,425
Inventories		2,241	2,451
TOTAL CURRENT ASSETS		382,887	346,789
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment		1,425	1,425
Less: Accumulated depreciation		(1,425)	(1,096)
TOTAL NON-CURRENT ASSETS		-	329
TOTAL ASSETS		382,887	347,118
<u>CURRENT LIABILITIES</u>			
Trade and other payables		10,981	6,303
Subscriptions received in advance		70,576	53,868
Conference sponsorship received in advance		-	-
TOTAL CURRENT LIABILITIES		81,557	60,171
<u>NON-CURRENT LIABILITIES</u>			
Contribution received – National Scholarship Fund	1	8,013	19,000
TOTAL LIABILITIES		89,570	79,171
NET ASSETS		293,317	267,947
<u>EQUITY</u>			
Retained Surplus at the beginning of the financial year		252,947	233,014
Net Surplus for the financial year		25,370	19,933
Retained Surplus at the ending of the financial year		278,317	252,947
Gippsland Reserve		15,000	15,000
TOTAL EQUITY		293,317	267,947

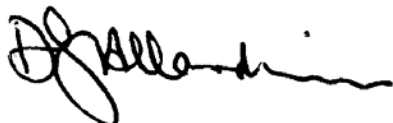
Note 1

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 current year, a further amount of \$10,987 was paid as scholarship and a corresponding amount was recognised in the Boards' revenue.

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

The attached Income Statement and Balance Sheet for the year 1 July 2007 to 30 June 2008 are in accordance with the books and records and present a true and fair view of the state of affairs as at 30 June 2008 and of the results for the year ended on that date for the Board of the Australian Institute of Energy.



David Allardice
Honorary Treasurer

Dated: 21 October 2008

Melbourne

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

The attached Income Statement and Balance Sheet for the year 1 July 2007 to 30 June 2008 are in accordance with the books and records and present a true and fair view of the state of affairs as at 30 June 2008 and of the results for the year ended on that date for the Board of the Australian Institute of Energy.



Bentleys
Brisbane Partnership
Chartered Accountants



P M Power
Audit Partner

Dated: 21 October 2008

Brisbane