



Australian
Business
Industrial



AUSTRALIAN
BUSINESS
INDUSTRIAL
ANNUAL
REPORT
FOR THE YEAR
ENDED 30 JUNE 2019

Invigorating business

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The financial report was authorised by the Councillors on 17 September 2019. Australian Business Industrial has the power to amend and re-issue the financial report.

President's Report 2019

The past 12 months has been another challenging one for employers in the industrial relations space.

Federal Election

The Federal Election result in May surprised us all. A somewhat dysfunctional Liberal government that went to the election light on policy, particularly in IR, defied a Labor opposition full of confidence and overflowing with 'progressive' policies who expected to win.

Industrial relations played a significant role in the campaign. The ACTU's "Change the Rules" campaign tried to capture the momentum of 2007's highly successful "Your Rights at Work" campaign that helped sweep John Howard from office. This campaign, spearheaded by ACTU Secretary Sally McManus, ultimately proved ineffective and did not resonate with the broader electorate anxious about a potential overhaul of the IR system.

Enterprise Bargaining

Enterprise bargaining has become increasingly difficult and employers have been 'voting with their feet' with the number of enterprise agreement terminations at a record high.

Under the current system, a genuinely agreed and high paying agreement may not be approved or take a significant period of time to get through the Fair Work Commission due to burdensome regulatory requirements and over-zealous adherence to minor details as opposed to the bigger picture that the Better Off Overall Test contemplates.

It is clear that the current enterprise agreement approval system is not operating in accordance with its original purpose. The approval process is broken.

In a paper prepared for ABI council, questions were asked whether:

1. Enterprise bargaining creates efficiency savings and productivity gains for employers;
2. The current bargaining framework is beyond repair; and
3. Potential solutions exist to incentivise employers to engage in the bargaining process.

These questions, and ultimately how the enterprise agreement approval system can be repaired, should be a priority for ABI this coming year.

Award Review

The 4 yearly review of modern awards continues consuming enormous time and resources from employer organisations, including ABI, as well as the union movement. One thing that the unions and employer groups have agreed on is we don't want another 4 yearly review which the Fair Work Commission has wisely agreed to. The review is likely to finally come to an end in 2020.

Advocacy

With the assistance of ABLA, ABI has continued to advocate on behalf of business on a range of industrial matters, including submissions on the Federal Government's industrial legislative centrepieces - the 'Ensuring Integrity' and 'Proper Use of Worker Benefits' Bills.

ABI has also been active advocating for employers in major cases in the Fair Work Commission including the overtime for casuals, penalty rates and domestic violence leave cases.

Thank you

In February this year, Dick Grozier left us for the greener pastures of retirement so he can spend more time with his family and engage in his great passion of exploring the world's most exotic locations. To say that Dick will be missed is an understatement. His knowledge and in-depth understanding of the finer points of IR was revered in the halls of power across the country. We wish him the very best in the future.

Since Dick's retirement, NSWBC has agreed that ABI will use the services of ABLA. I am most happy with the arrangement so far and want to particularly thank Luis Izzo and Dean Tyler for their support. I also want to thank Nadee De Silva for her unwavering assistance.

I would also like to thank Chris Lamont, Elizabeth Greenwood and the NSWBC policy team for keeping the council informed of the latest happenings in party politics in NSW and in Canberra.

Finally, thank you to the ABI council for your continuing dedication and support.



Kerry Wilson
President

17 September 2019

Australian Business Industrial Operating Report 30 June 2019

The Committee of Management of Australian Business Industrial ("the Organisation") presents its report for the financial year ended 30 June 2019.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The Organisation represents the interests of its members in the Federal Industrial Relations jurisdiction.

The Organisation is an Organisation of Employers and was registered under the *Fair Work (Registered Organisations) Act 2009* on 19 October 2009.

Membership of Australian Business Industrial includes members of NSW Business Chamber Limited and a formal affiliation agreement exists between the organisations.

The Organisation is exempt from *Income Tax under section 50.1 of the Income Tax Assessment Act 1997*.

The net deficit of the Organisation was \$8,415 for the year (2018 surplus: \$4,110).

The main area of activity during the year was representing members in the various proceedings in the Fair Work Commission's 4-yearly review of modern awards in which it has been heavily involved. The organisation has worked closely with the Australian Chamber of Commerce and Industry on common issues and it has also engaged with the Commonwealth Government about workplace legislation.

There were no significant changes in the nature of the Organisation's activities during the year.

Significant changes in financial affairs

There were no significant changes in financial affairs during the year.

Right of members to resign

Rule 17 provides a right for members to resign from the Organisation and members may resign in accordance with section 174 of the *Fair Work (Registered Organisations) Act 2009*.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of the organisation.

Number of members

The number of persons that were, at the end of the financial reporting year, recorded in the register of members is 4,102 (2018: 4,345).

Number of employees

There were no employees during or at the end of the financial year.

Names of Committee of Management members and positions held during the financial year

The name of each person who has been a member of the committee of management at any time during the reporting period is:

Name	Position	Date
Kerry Wilson	President	Appointed 25 August 2016
Bruce Mackenzie	Vice President	Appointed 25 August 2016
Tom Bowers	Vice President	Appointed 25 August 2016
Robert Kirkham	Secretary /Treasurer	Appointed 25 August 2016
Jane Cleary	Executive Committee	Appointed 25 August 2016
David Long	Executive Committee	Appointed 25 August 2016
Jessica Liley	Executive Committee	Appointed 25 August 2016 Resigned 30 October 2018 Re appointed 05 December 2018
Gerry Carr	Councillor	Appointed 20 July 2016 Resigned 12 June 2018 Re appointed 29 August 2018
Andrew Vlachos	Councillor	Appointed 20 July 2016
Jane Brady	Councillor	Appointed 20 July 2016 Resigned 01 November 2018
Annabel Leete	Councillor	Appointed 20 July 2016
Ian Lilley	Councillor	Appointed 20 July 2016
Mark Douglas	Councillor	Appointed 21 February 2018
Bonnie Kestel	Councillor	Appointed 21 February 2018
Nathan Bright	Councillor	Appointed 05 December 2018

Committee members have been in office for the full reporting period unless otherwise stated.

Matters subsequent to the end of the financial year

In the opinion of the Councillors, no matter, circumstance or event of a material and unusual nature has arisen since the end of the financial year and the date of this report which is likely to affect significantly the operations of the Organisation.

This report is made in accordance with a resolution of Councillors.



Kerry Wilson
Councillor

North Sydney
17 September 2019



Robert Kirkham
Councillor

Australian Business Industrial
Statement of Comprehensive Income for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue			
Membership subscription	3A	205,100	217,241
Capitation fees	3B	-	-
Levies	3C	-	-
Interest	3D	969	809
Total revenue		<u>206,069</u>	<u>218,050</u>
Other income			
Grants and/or donations	3E	-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>206,069</u>	<u>218,050</u>
Expenses			
Employee expenses	4A	-	-
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	(207,686)	(207,340)
Grants or donations	4E	-	-
Legal costs - other legal matters	4F	-	-
Audit fees	9	(6,798)	(6,600)
Penalties - via RO Act or RO Regulations	4G	-	-
Total expenses		<u>(214,484)</u>	<u>(213,940)</u>
Surplus (deficit) for the year		<u>(8,415)</u>	<u>4,110</u>
Other comprehensive income			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(8,415)</u>	<u>4,110</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Australian Business Industrial
Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	86,137	83,258
Trade and other receivables	5B	226,475	238,580
Total current assets		<u>312,612</u>	<u>321,838</u>
Total assets		<u>312,612</u>	<u>321,838</u>
LIABILITIES			
Current liabilities			
Trade payables	6A	227,267	227,677
Other payables	6B	-	401
Total current liabilities		<u>227,267</u>	<u>228,078</u>
Total liabilities		<u>227,267</u>	<u>228,078</u>
Net assets		<u>85,345</u>	<u>93,760</u>
EQUITY			
Retained earnings (accumulated profit)	8	<u>85,345</u>	<u>93,760</u>
Total equity		<u>85,345</u>	<u>93,760</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Australian Business Industrial
Statement of Changes in Equity for the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Total equity at the beginning of the financial year		93,760	89,650
Total comprehensive income / (loss) for the year		(8,415)	4,110
Total equity at the end of the financial year	8	<u>85,345</u>	<u>93,760</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Australian Business Industrial
Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers (including GST)		18,635	239,800
Receipts from other reporting units/controlled entities		-	-
Interest received	3D	969	809
Cash used			
Suppliers		(16,725)	(233,854)
Employees		-	-
Payments from other reporting units/controlled entities		-	-
Net cash from (used by) operating activities	10	<u>2,879</u>	<u>6,755</u>
FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash from (used by) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		<u>2,879</u>	<u>6,755</u>
Cash and cash equivalents at the beginning of period		<u>83,258</u>	<u>76,503</u>
Cash and cash equivalents at the end of the reporting period	5A	<u>86,137</u>	<u>83,258</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Australian Business Industrial
Recovery of Wages Activity for the year ended 30 June 2019

	Note	2019 \$	2018 \$
RECOVERY OF WAGES ACTIVITY			
Cash assets in respect of recovered money at beginning of year			
Receipts		-	-
Payments		-	-
Cash assets in respect of recovered money at end of year		<u>-</u>	<u>-</u>

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Australian Business Industrial ("the Organisation").

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*.

Historical cost convention

The financial statements have been prepared on an accruals basis in accordance with the historical cost convention. Unless stated otherwise the accounting policies described below are consistent with those applied in the prior year.

Comparative amounts

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

(b) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the organisation's accounting policies

There are no critical judgements that management has made in the process of applying the organisation's accounting policies at reporting date that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions or sources of estimation uncertainty at balance date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) New Australian Accounting Standards Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

AASB 9 Financial Instruments

The organisation has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For

receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated.

The financial impact of adoption on opening retained profits as at 1 July 2018 was nil. The disclosure of certain items has been impacted as follows:

- interest revenue is now presented on the face of the profit or loss; and
- provision for doubtful debts is now reclassified as allowance for expected credit losses.

AASB 15 Revenue from Contracts with Customers

The organisation has adopted AASB 15 – revenue from contracts with customers from 1 July 2018. The standard provides a single standard for revenue recognition and replaces AASB 118 'Revenue', AASB 111 'Construction Contracts' and Interpretation 12 'Service Concession Arrangements'. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(d) Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are valued at their fair value due to their short-term nature. There are no assets or liabilities contained in the financial statements that are materially different to their fair value.

(e) Foreign currency

The financial statements are presented in Australian dollars, which is the Organisation's functional and presentation currency.

(f) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the organisation and revenue can be reliably measured. Revenue is

measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, rebates and amounts collected on behalf of third parties.

- i. Membership fees comprise annual subscriptions and are recognised as revenue on a monthly basis over the period of the membership.
- ii. Interest income is recognised when earned.

Under AASB 15 revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for each of the major business activities as follows:

- i. Membership fees comprise annual subscriptions and are recognised as revenue on a monthly basis over the period of the membership.
- ii. interest income is recognised when earned.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the organisation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is

recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flows.

(j) Income tax

Australian Business Industrial is a not-for-profit employers' association and hence is exempt from income tax under section 50.15 of the *Income Tax Assessment Act 1997*.

2 Financial risk management

The Organisation's activities expose it to credit risk and liquidity risk. The Organisation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Organisation. The Organisation uses different methods to measure different types of risk to which it is exposed. These methods include regular review of trade receivables ageing analysis for credit risk.

The Organisation has no substantial financial assets or liabilities that are exposed to interest rate risk.

a. Credit risk

Credit risk arises from exposure to counterparties that may not meet their contractual obligations with the Organisation. The Organisation's exposure to credit risk primarily arises from its trade receivables.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Organisation is exposed to a single debtor, i.e. NSWBC, of which the amount has been settled subsequent to financial year end.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (where available).

Credit quality of financial assets held at balance date	2019	2018
	\$	\$
Cash at bank		
- Westpac (Rated AA3 by Moody's Investors Service, Inc)	86,137	83,258
	<u>86,137</u>	<u>83,258</u>
Trade receivables		
(Counterparties without external credit rating)	225,555	238,580
Trade receivables	<u>225,555</u>	<u>238,580</u>

Past due but not impaired trade receivables

	0-30 days	31-60 days	61-90 days	90+ days	Total
	\$	\$	\$	\$	\$
As at 30 June 2019	225,555	-	-	-	225,555
Trade receivables	<u>225,555</u>	-	-	-	<u>225,555</u>
As at 30 June 2018	238,580	-	-	-	238,580
Trade receivables	<u>238,580</u>	-	-	-	<u>238,580</u>

b. Liquidity risk

The Organisation's liquidity risk arises from the risk that it will encounter difficulty in meeting its obligations associated with financial liabilities. The Organisation manages liquidity risk by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

The table below shows the contractual maturity undiscounted cash flow of the Organisation's financial liabilities:

Financial Liabilities	On Demand	<1 year	1-2 years	2-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
As at 30 June 2019	227,267	-	-	-	-	227,267
Trade and other payables	227,267	-	-	-	-	227,267
As at 30 June 2018	228,078	-	-	-	-	228,078
Trade and other payables	228,078	-	-	-	-	228,078

	Note	2019 \$	2018 \$
3 Income			
3A Membership subscription		205,100	217,241
Sponsorship income		-	-
3B Capitation fees received	19	-	-
3C Levies	18	-	-
3D Interest		969	809
		<u>206,069</u>	<u>218,050</u>
Other Income			
3E Grants or donations	16	-	-
		<u>206,069</u>	<u>218,050</u>
4 Expenses			
4A Employee expenses	17		
Employee expenses - holders of office		-	-
Employee expenses - other than office holders		-	-
Total employee expenses		<u>-</u>	<u>-</u>
4B Capitation fees	19	-	-
4C Affiliation fees	20	-	-
4D Administration expenses			
Consideration to employers for payroll deductions	17	-	-
Compulsory levies	18	-	-
Fees/allowances - meeting and conferences		-	-
Conference and meeting expenses		1,945	2,327
Consultants		200,000	200,000
Travel expenses		1,644	2,559
Printing and stationery		2,320	756
Office expenses		1,027	198
Other		750	1,500
Total administration expenses		<u>207,686</u>	<u>207,340</u>
4E Grants or donations	16	-	-
Grants:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Donations:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Total grants and donations		<u>-</u>	<u>-</u>

	Note	2019 \$	2018 \$
4F Legal costs - other legal matters	21	-	-
4G Penalties - via RO Act or RO Regulations	22	-	-
5 Current assets			
5A Cash and cash equivalents			
Cash at bank		86,137	83,258
5B Trade and other receivables			
Trade receivables		225,555	238,580
Receivables from other reporting units		-	-
Less provision for doubtful debts		-	-
Net trade receivables		225,555	238,580
Other receivables			
GST receivable (net) from ATO		920	-
Total other receivables		920	-
Total trade and other receivables (net)		226,475	238,580
6 Current liabilities			
6A Trade payables			
Trade payables and accruals		227,267	227,677
Payables to other reporting units		-	-
Total trade payables		227,267	227,677
6B Other payables			
Consideration to employers for payroll deductions		-	-
Legal costs		-	-
GST payable (net)		-	401
Other payables		-	-
		-	401
7 Provisions			
Employee provisions		-	-
8 Retained profit			
Movement in retained profits was as follows:			
Balance at 1 July		93,760	89,650
Net profit / (loss) for the year		(8,415)	4,110
Balance at 30 June		85,345	93,760

	Note	2019 \$	2018 \$
9 Remuneration of auditors			
PricewaterhouseCoopers Australian firm:			
Audit of financial statements		6,798	6,600
Other services		-	-
Total remuneration of auditors		<u>6,798</u>	<u>6,600</u>

10 Reconciliation of profit / (loss) to net cash inflow from operating activities

Operating profit / (loss)	(8,415)	4,110
(Increase) / decrease in trade debtors	13,025	835
(Increase) / decrease in other receivables	(920)	112
Increase / (decrease) in trade creditors	(410)	1,297
Increase / (decrease) in other payables	(410)	401
Net cash from operating activities	<u>2,879</u>	<u>6,755</u>

The cash flow information above relates to Australian Business Industrial and no other reporting unit or controlled entity.

11 Related party disclosures

11A Transactions with NSW Business Chamber Limited

Revenue received for membership	205,050	216,891
Expenses paid for consulting, meeting, printing, stationary & office costs, audit fees	212,085	209,850
Amounts owed by NSWBC at 30/6/19	(225,555)	(238,580)
Amounts owed to NSWBC at 30/6/19	220,000	220,592

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at year end are unsecured and interest free and settlement occurs in cash. For the year ended 30 June 2019, the Organisation has not recorded any impairment of receivables relating to amounts owed by related parties (2018: \$NIL). All related party receivables and payables have been settled at the time of preparing these financial statements.

11B Key management personnel other remuneration

President received remuneration from NSWBC for chairing the Workplace Relations Committee	9,592	9,592
Councillors	-	-

Terms and conditions of key personnel other remuneration

ABI's rules require its officers to disclose any material personal interests and also any remuneration received from external boards because of being an officer of ABI. As well, the remuneration of the 5 most highly paid officers must be disclosed. Councillors are officers, but under its rules ABI's councillors are not remunerated, and ABI does not directly employ. Councillors are reimbursed for validated travel expenditure.

	Note	2019 \$	2018 \$
12 Administration of financial affairs by a third party			
NSW Business Chamber collects the following revenue and pays the following expenses on behalf of the Organisation. Each entity raises invoices to recover these transactions from each other.			
Revenue			
Membership subscription		205,050	216,891
Expenses			
Conference and meeting expenses		1,945	2,327
Consultants		200,000	200,000
Printing and stationery		2,320	735
Office expenses		1,022	188
Audit fees		6,798	6,600
Total expenses		<u>212,085</u>	<u>209,850</u>

NSW Business Chamber Limited provides accounting services to the Organisation at no cost. The services provided are: accounts payable, accounts receivable, general accounting including the preparation of budgets, monthly financial reporting and annual Financial Statements.

13 Organisation's details

The registered office and principal place of business is Level 15, 140 Arthur Street, North Sydney, NSW 2060 Australia.

14 On-going support

The Organisation receives on-going financial support from NSW Business Chamber Limited. An affiliation deed between the two entities confirms NSW Business Chamber Limited's commitment to the Organisation. The financial support will continue in accordance with the affiliation deed dated 28 March 2012, and is interest free. Repayments are only payable by consent of the Organisations' Council. There is no set termination date in the affiliation deed.

15 Acquisition of assets and or liabilities

There were no acquisitions of assets or liabilities during the financial year.

16 Donations and grants

The Organisation did not receive or pay any donations or grants during the year.

17 Recovery of wages

The Organisation did not have to engage in the recovery of wages during the year.

18 Compulsory levies

The Organisation does not raise compulsory levies and as such did not derive any income.
No compulsory levies were imposed on the Organisation during the year.

19 Capitation fees

The Organisation did not receive or pay any capitation fees during the year.

20 Affiliation fees

The Organisation did not pay any affiliation fees during the year.

21 Legal costs

The Organisation did not pay any legal costs for litigation or legal costs for other matters during the year.

22 Penalties

No penalties were imposed or paid by the Organisation during the year.

23 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of the Organisation, or the General Manager of Fair Work Australia, may apply to the Organisation for specified prescribed information in relation to the Organisation to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Organisation.
- (3) The Organisation must comply with an application made under subsection (1).

24 Events after the reporting period

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Organisation.

Committee of Management Statement for the period ended 30 June 2019

On 17 September 2019 the members of the committee of management of Australian Business Industrial ("the Organisation") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019.

The committee of management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Organisation for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the Organisation; and
 - (ii) the financial affairs of the Organisation have been managed in accordance with the rules of the Organisation; and
 - (iii) the financial records of the Organisation have been kept and maintained in accordance with the RO Act; and
 - (iv) where information has been sought in any request by a member of the Organisation or General Manager duly made under section 272 of the RO Act, this has been provided to the member or General Manager; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from the undertaking recovery of wages activity during the reporting period.

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



Kerry Wilson
Councillor

North Sydney
17 September 2019



Robert Kirkham
Councillor



Independent auditor's report

To the members of Australian Business Industrial

Report on the audit of the financial report

Our opinion

In our opinion, in all material respects:

- the accompanying financial report presents fairly, the financial position of Australian Business Industrial (the Registered Organisation) as at 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with
 - a) Australian Accounting Standards
 - b) Reporting Guideline or Part 3 Chapter 8 of the *Fair Work (Registered Organisation) Act 2009 (the RO Act)*
- The Committee of Management's use of the going concern basis of accounting in the preparation of the Registered Organisation's financial statements is appropriate.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Committee of Management Statement.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Registered Organisation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757

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Other information

The Committee of Management is responsible for the other information. The other information comprises the information included in the Financial Statements 2018 - 2019 for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Operating Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the financial report

The Committee of Management of the Registered Organisation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the ability of the Registered Organisation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Registered Organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Report on the Recovery of Wages Activity

Opinion

No revenue has been derived by the Registered Organisation from undertaking recovery of wages activity during the reporting period, as disclosed in the Committee of Management Statement, and therefore no opinion can be provided in relation to recovery of wages activity.

Responsibilities

The committee of management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibilities is to express an opinion on the recovery of wages activity financial report, based on audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'P. Thelander', written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'James McElvogue', written over a light blue horizontal line.

James McElvogue
Partner
Registered Company Auditor #285109
Member of CAANZ #93952
Holder of Public Practice Certificate #93952
Registered Auditor under the RO Act
#AA2017/168

Sydney
17 September 2019

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