

BUSINESS NSW



ANNUAL REPORT 2023



Acknowledgment of Country

Business NSW acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the lands and waterways on which we live and work and recognise their continuing significance and connection to Country.

We pay our respects to Elders past and present.

We honour the stories, traditions and living cultures of Aboriginal and Torres Strait Islander peoples and commit to building a brighter future together.

Front cover artwork:
"Djaama" By Gambirra Illume
This mural was erected on the Land of the Gadigal People of the Eora Nation on 25 May 2023 at Business NSW's Head Office Reception on Level 7, 8 Chifley Square, Sydney NSW 2000.

Gambirra Illume collaborated with Business NSW to visually capture the organisation's commitment and journey toward reconciliation.

Through a facilitated workshop, Business NSW employees made their own traditional paintbrushes and learnt the painting techniques by contributing to the dot work under Gambirra's direction.

Welcome to the BUSINESS NSW Annual Report 2023



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Who we are

Our purpose is to create a better Australia by maximising the outcomes and potential of Australian business.

We do this by offering products and services to help business owners realise their goals, and by supporting them as an influential voice on the issues that matter.

Working closely with our members, we advocate for practical policy solutions to ensure Australian businesses of all sizes can prosper and grow.

Being member-owned ensures that everything we do is focused on improving opportunities for all businesses across Australia. As an independent, not-for-profit organisation, our operating surplus goes back into supporting advocacy for our members.

Over 195 years' of supporting Australian businesses

25 years of Apprenticeship Support Australia



Bare Beauty House is a Manly-based beauty salon, with a focus on sustainability and the use of organic products.

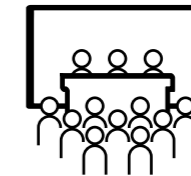
Facts & figures



37
offices across Australia



89,578
Members as at 30 June 2023



241
In-person events

39
virtual member events attracting

23,267
participants



115,388
inquiries across our Business NSW, ABLA and ASA advice and customer services lines

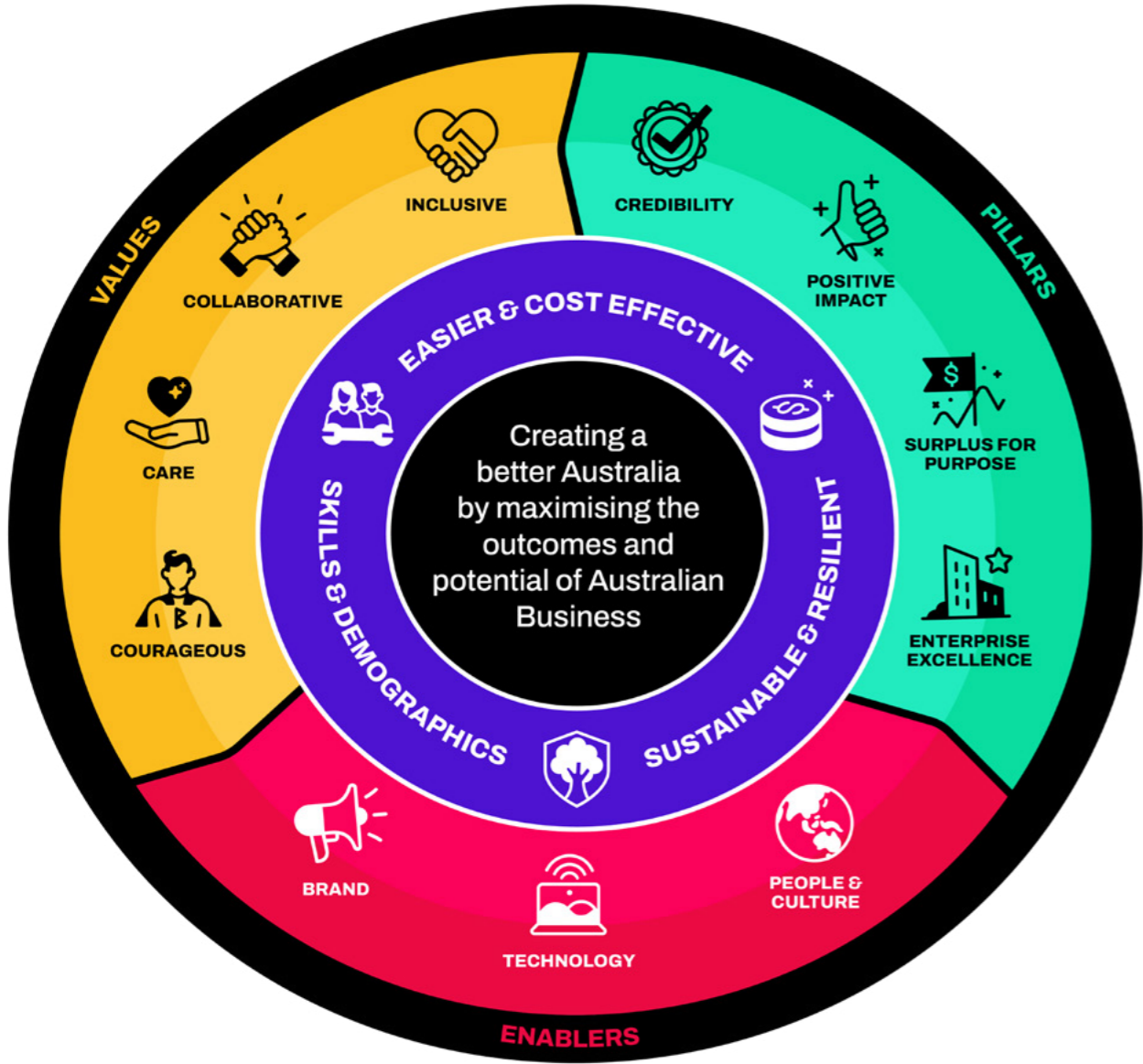


738
Employees

20
Consultants

+ 8917
on-hire workers deployed to clients

Our strategy



Our values and behaviours

 <p>INCLUSIVE</p>	<p>Your voice counts</p> <p>Seek out, listen to and learn from the perspective of our colleagues, members, customers and clients.</p> <hr/> <p>Treat others fairly and with respect.</p> <hr/> <p>Support and encourage others.</p>
 <p>COLLABORATIVE</p>	<p>Together we achieve more</p> <p>Share knowledge to help others grow and succeed.</p> <hr/> <p>Consider the broader impacts of our decisions.</p> <hr/> <p>Celebrate our successes.</p>
 <p>CARE</p>	<p>Make a positive impact</p> <p>Act honestly and ethically.</p> <hr/> <p>Look after the safety and wellbeing of ourselves and others.</p> <hr/> <p>Find ways to make a positive impact on our planet.</p>
 <p>COURAGEOUS</p>	<p>Stay curious</p> <p>Show initiative by bringing ideas to the table.</p> <hr/> <p>Take ownership of actions and see them through from start to finish.</p> <hr/> <p>It's okay to make mistakes if we learn from them.</p>

President's report



LYALL GORMAN

President
Business NSW

I am pleased to present our annual report for the 2023 financial year.

For almost 200 years, our organisation has advocated for NSW businesses across our major metropolitan hubs and throughout the regions.

As Australia has emerged from the shadows cast by the COVID-19 global pandemic, our commitment to championing the interests of our members and the broader business community has remained resolute. We recognise that in returning to 'normality' what's required isn't merely a return to pre-pandemic routines, but deliberate and decisive action to seize the opportunity to build a stronger, more agile foundation for the future.

In this pursuit, Business NSW has been a conduit for sharing insights, best practices and support as we collectively transition to this new, post-pandemic era of doing business. Our engagement with governments, advocacy for future-focused policies, and tireless efforts to address the evolving needs of our members have positioned us as a catalyst for revitalisation.

During the year, we welcomed the opportunity to put forward our business communities' sound and future-focused policies to those contesting the NSW State Election. Business NSW continues to work closely with State and Federal Ministers, MPs and key decision makers on policy reform that supports a thriving business environment, incentivises investment, creates jobs, and drives economic growth.

"To our members, thank you for your trust and commitment to Business NSW."

Against a backdrop of ongoing uncertainty, we embarked on a program of work to refine our enterprise strategy, and to reaffirm our future direction and core pillars that underpin our purpose to create a better Australia by maximising the outcomes and potential of Australian business. This process is guided by robust metrics that allow us to measure our progress against our strategic initiatives.

One such strategic initiative is the development of our Environment, Social and Governance (ESG) framework. During the 2023 fiscal year, my Board colleagues and I were pleased to endorse the Business NSW inaugural ESG strategy and framework that will align our organisation with responsible practices, stakeholder expectations and the broader goals of sustainability.

Our goal is to become a leading advocate and adopter in creating a more sustainable future for business. By embedding ESG into our operations, we not only enhance our own longevity, but contribute positively to society and the business community at large.

The Business NSW Board's commitment to the advancement of Business NSW and its pivotal role in the business and political landscape led us to a focus on elevating our governance framework during the year.

Recognising the ever-evolving landscape in which we operate, the Board participated in an externally facilitated, comprehensive governance review. This exercise reaffirmed that while our approach to governance was already robust, there are avenues for ongoing improvement.

In this spirit, we embraced the opportunity for governance improvement, allowing us to ensure that our approach to

governance is adaptive, effective and future-ready, and that it aligns with the long-term trajectory of our organisation.

Through a meticulous, independent assessment of the Board's expertise, we have ensured that our Board composition remains aligned with our strategic vision and we are well-placed to address the evolving complexities of our business and the uncertainty of the external environment.

The complexity of our business continues to evolve and we are determined to innovate, adapt and steer our ship with both prudence and insight; to take action to shape our future with a precision that ensures the sustainable growth and enduring success of Business NSW.

As we continue to adapt, innovate and grow, we remain deeply appreciative of the unwavering support of our members, stakeholder and partners.

To our members, thank you for your trust and commitment to Business NSW.

In March 2023, Warwick McLean retired from the Board of Directors. I'd like to thank Warwick for his service to our members and the organisation over the past 5 years.

I also extend my gratitude to each member of our Board of Directors, and to our remarkable management team and employees for their dedication and hard work throughout the year. Led by our CEO, Daniel Hunter, we continued to refine our enterprise strategy, and drive our purpose and vision.

I'm incredibly proud of the work we have done this year, and I'm confident that together we can navigate the path ahead, forging a future defined by progress, productivity and prosperity.

CEO's report



DANIEL HUNTER

Daniel Hunter
Chief Executive Officer
Business NSW

The 2023 financial year was marked by resilience and adaptation, as we collectively navigated challenges and harnessed opportunities to drive forward the interests of the NSW business community and our broader society.

I am proud to report that Business NSW, alongside our dedicated members, demonstrated remarkable resilience as we carried forward our learnings from the pandemic, embracing change as an opportunity for growth and progress.

As always, our advocacy efforts remained at the forefront of our operations throughout the year. We engaged in regular, proactive dialogue with government bodies, policymakers, and regulatory authorities, advocating for policies that stimulate business growth, investment, jobs and innovation.

This year, our advocacy was amplified as we navigated the first budget of the newly-elected Federal Labor Government and the NSW State Election.

We advocated strongly to ensure that all parties contesting the election understood the importance of providing the certainty and stability that businesses need to invest and grow, reducing the high cost of doing business, and making NSW the best destination for investment and high-value job creation.

Our policy platform was informed by deep consultation with our members, including a powerful election survey of more than 1200 business owners which reinforced our recommendations.

Through collaborative engagement, we shaped policy decisions that positively impact our members and the wider business community. Our strong advocacy on the spiralling cost of doing business – including that 30 per cent of businesses face closure if business conditions don't change – helped win major concessions from our new government.

We also had advocacy wins on the delivery of three Manufacturing Centres of Excellence in Illawarra, Western Sydney and the Hunter, a commitment to conduct an audit of manufacturing in NSW, \$93.7 million to hire 1000 apprentices and trainees across the NSW Government by 2026, and a promise of 30 per cent affordable housing on government-owned land.

Central to our mission is our unwavering commitment to delivering value to, and engaging with, our members. Throughout FY23, we continued to expand our range of services, equipping businesses with the tools and insights they need to thrive in a rapidly evolving landscape.

“Our Values and Behaviours form a key part of overall employee performance ratings, highlighting that ‘how’ deliverables are achieved, in addition to ‘what’ is achieved, is key to organisational success.”

Our comprehensive programs, workshops, and digital resources provided invaluable support to businesses seeking to enhance their competitiveness and build capability.

In September 2022, we launched our new Regional Leaders program to bring together a network of highly-engaged and passionate leaders in regional NSW to strengthen the voice of business, drive outcomes and influence change. This invitation-only program connects regional leaders to a strong peer network via a curated thought leaderships series, special events and active involvement in guiding regional priorities. The program also invests in the next generation of business talent in regional NSW through a future leaders program.

During the year, we made significant progress against our whole-of-enterprise corporate strategy that links the work of all our business units to our ultimate purpose: ‘Creating a better Australia by maximising the outcomes and potential of Australian business’.

We have developed a new Environment, Social and Governance (ESG) strategy and framework to deliver on our goal of becoming a leading advocate and adopter in creating a more sustainable future for business. Our ESG strategy will enable our organisation to contribute positively to society and the business community at large, and is aligned with responsible business practices and stakeholder expectations.

We have also delivered on a number of key strategic initiatives that will enhance our high-performing organisational culture and engagement with our people.

We introduced a Contribution and Development Planning cycle to create consistency in how goals are

set and employee performance is reviewed across the organisation. Our Values and Behaviours form a key part of overall employee performance ratings, highlighting that ‘how’ deliverables are achieved, in addition to ‘what’ is achieved, is key to organisational success.

In February 2023, we relocated to Chifley Square in Sydney. The new premise has a 6 Star Green Star Office Design v2 certified rating, representing ‘World leadership’ in environmentally sustainable design, as well as a 5 Star NABERS energy rating.

The new office facilitates activity-based working and collaboration, and includes a state-of-the-art events space seating up to 100 people. We look forward to welcoming members and visitors to our new office.

Our new headquarters also stands as an embodiment of our strategic engagement with government. This move not only elevated our brand, but our proximity also assists us to forge new dimensions of influence and engagement.

As we look ahead, we remain committed to championing the interests of our members, advocating for policies that drive economic prosperity, and equipping businesses with the knowledge and tools they need to succeed.

I want to extend my thanks to our members for their unwavering support, dedication, and trust in Business NSW. We value your continued partnership and belief in our mission.

I also want to thank our Board of Directors, my Executive Leadership Team and all of our hardworking team at Business NSW. Together, we have achieved significant milestones and positioned ourselves as a driving force in shaping the future of business in New South Wales.



Nexport is a zero-emissions manufacturer in Western Sydney, offering sustainable solutions for the transport and logistics sectors.

Our priorities

Productivity, prosperity and potential

Bringing together industry, government and regulators to create an environment in which they can all prosper and reach their full potential

As the leading voice for the business community in our state, Business NSW is committed to seeing all businesses thrive. We know that when businesses prosper, the state prospers.

With over 92,000 members and more than 200 allied local Chambers of Commerce, Business NSW is not only the biggest business organisation in the country, but a trusted authority on the challenges, concerns and needs of the Australian business community.

We advocate for a healthy business environment and a stable economy, developing evidence-based, future-focused policy solutions and insights that are meaningful for business and workable for government and key decision makers.

For almost 200 years, our organisation has advocated for NSW businesses, across our major metropolitan hubs and throughout the regions. Our experience has proven that working together drives productivity and prosperity, creates jobs, and builds better communities for everyone.

Supporting our members and customers

Policy

During FY23, the state's 840,000-plus businesses faced significant headwinds including rising interest rates, energy costs and insurance premiums.

Skills and labour shortages remain a constant challenge for business. While some businesses are still struggling to fill existing vacancies for skilled workers, an increasing proportion of businesses is considering reducing headcounts with concerns about trading conditions with the successive interest rate hikes dampening consumer demand and rising overheads.

It was against this backdrop of economic uncertainty that we saw the first budget of a newly elected Federal Labor Government and the election of a new NSW State Labor Government.

In the lead up to the NSW state election, our team worked tirelessly with both major parties to help shape policy that will allow businesses to thrive. Our resolute focus during this pivotal period was to encourage all parties and candidates to embrace policies that cultivate a thriving business environment, fostering economic growth that cascades to benefit the entire state. This advocacy was rooted in the vision of keeping the costs of essentials such as payroll tax and insurance premiums manageable. Both sides of the political aisle promised no new taxes on businesses, a focus on empowering businesses and an assurance that we will continue to work closely together.

Our media and government relations campaign helped to reduce the 2023-24 workers' compensation premiums from insurer icare's desired average of 22 per cent to eight per cent.

Managing energy costs and supporting the transition to net zero are key areas of priority. In a response to the National Energy Performance Strategy, the [Business NSW Unfinished Business report](#) recommended advice and support targeted at Australian SMEs to overcome challenges in the energy market.

NSW is in the middle of an unprecedented infrastructure boom. The Riverina-Murray region in southern NSW has a bright future but is at a crunch point with more than \$20 billion for the delivery of several mega projects. Like

Regional Leaders Program

Launched in October 2022, the Business NSW Regional Leaders Program provides business with an opportunity to engage through a strong peer network and regular events committed to solving big regional problems.

With a focus on infrastructure investment, labour and skills, housing, transport, tourism, and energy transition, the Regional Leaders program helps to inform and guide regional priorities for Business NSW that are then prosecuted at all levels of government.

Over 120 businesses spanning Riverina Murray, Central Coast, Mid-North Coast and Northern Rivers have joined the program, with Western NSW and New England North-West slated to launch in 2024.

many regions, these issues typify the pressures that are created when major projects are in the same place at the same time. Business NSW has made a series of recommendations that will allow for timelier and cost-efficient delivery of mega projects across the regions.

The lack of affordable housing is impacting the ability of our members to attract and retain staff. Business NSW has taken an active role in the housing debate, taking on the planning system, NIMBYism and pushing for a significant increase of infill development in our cities across NSW. This will remain a priority over the coming year.

Business Conditions Survey

The Business NSW quarterly [Business Conditions Survey](#) is the most informative temperature check of business conditions in NSW, gauging business confidence, and identifying emerging risks and opportunities. On average, the survey attracts over 1,000 business respondents every quarter. A special pre-election survey was conducted in January 2023 to gather evidence to support our advocacy ahead of the election.



Harrison Barratt Group is a Sydney-based labour hire and recruitment company focussing on residential and commercial construction.

Powerful survey findings that have informed our advocacy in FY23 include:

In January 2023, 43 per cent of respondents identified housing (availability and/or affordability) as a barrier to accessing skilled workers.

- In February 2023, 30 per cent of small business respondents reported they would likely shut down if the next NSW Government did nothing to improve business conditions.
- In May 2023, insurance costs overtook energy costs as businesses' number one concern about the cost of doing business.
- In May 2023, 51 per cent of respondents had explored ways to reduce energy use or improve energy efficiency to cope with rising energy prices.

Engagement and events

During FY23, we hosted nearly 270 events with approximately 23,267 participants across NSW from boardroom lunches and intimate workshops to awards ceremonies, major conferences and summits.

We also hosted international trade delegations, alongside business, industry, and community leaders, providing our members with access to valuable insights and expertise on a wide range of topics.

In May 2023, we launched our Chifley Square Business & Event Centre (CSBEC) in the heart of the Sydney CBD. This is Business NSW's third privately managed event space and, much like our event centres in Parramatta Square and Albury, CSBEC is a fully-hybrid facility fitted out with state-of-the-art audio-visual equipment, with a maximum capacity of 200 guests.

Managing our own centres allows us to keep many of our events in-house, manage costs and ensure our members receive a premium experience. As part of our member offering we make our centres available for use at discounted rates.

We hosted around 270 events, with more than 23,267 attendees, providing our members with access to valuable insights and expertise on a wide range of topics.

Making NSW a better place to do business

Listening to our members through regular surveys, group and individual meetings, phone advice lines, policy committees and advisory councils allows us to track business confidence and identify the issues that really matter for Australian businesses.

Using our analysis and expert knowledge, we represent the needs of businesses to influence government policy makers and deliver real-world results for our members.

During FY23, Business NSW prepared over 48 submissions to Government and Regulatory Authorities covering an extensive range of topics and issues, with a specific focus across five key pillars:

1. Make doing business easier in NSW through lower taxes and less red tape
2. Make business smarter in NSW by future-proofing the workforce with a pipeline of quality workers.
3. Make NSW businesses confident to face the future through balanced and agile energy policy.
4. Make NSW a better place to grow start-ups by doing more to attract investments and remain competitive.
5. Make NSW thrive by revitalising our CBDs and building affordable housing so our state can continue to be the best place to live and work.

See appendix 1 for the full list of BNSW policy and advocacy submissions.

Optimising our commercial businesses

During the year, we made significant progress on the optimisation of our commercial businesses in line with our enterprise-wide strategic priorities. We have a clear vision for how we can better engage with and support our members over the next three years and beyond, ensuring we are well positioned for growth and well placed to continue to deliver on our purpose of creating a better Australia by maximising the outcomes and potential of Australian business.

Apprenticeships and skills

The prevailing skills shortage has cast a significant shadow over businesses, with the scarcity of skilled workers impeding growth, innovation, and efficiency.

Organisations are grappling with unfilled roles and increased pressure on existing employees. This not only hinders productivity but also restricts the potential for new projects and ventures.

The impact on businesses is far-reaching, necessitating creative strategies and collaboration across business, government, educational institutions and community organisations to attract, retain, and upskill talent, while also fostering a culture of adaptability to navigate this challenging landscape.

Business NSW has continued to advocate for and encourage the delivery of practical and measurable solutions that will help us achieve greater workforce participation and improve the alignment of people, skills, jobs and locations.

Our work supporting apprenticeships and traineeships is essential in retraining and upskilling workers who are the backbone of NSW businesses.

However, building human capital takes time and increasing the number of skilled migrants as well as cutting the complexity, time and cost for businesses to bring international migrants to NSW is a quick solution to boost the number of available skilled workers.

This year marked the 25-year anniversary of our Apprenticeship Support Australia (ASA) business in NSW. During that time, we have signed up more than half a million apprentices and trainees and supported more than 100,000 businesses.

We will continue to influence, work with and support a range of initiatives to help achieve greater workforce participation and support our members as they navigate these challenges.

More Jobs More Care

In FY21, Apprenticeship Careers Australia (ACA) was appointed to deliver the NSW Government initiative More Jobs More Care (MJMC), a two-year program to support the community care sector through investing in the training and retention of new support workers.

The project was funded until September 2022, and upon completion, ACA influenced an increase in participation in the NDIS sector to support people living with disability across NSW with:

- 3443 new candidates enrolled into training
- 1707 candidates gained an employment opportunity
- 312 combined study with employment via a Traineeship



Home Care

In February 2022, Apprenticeship Careers Australia (ACA) was awarded contracts for the provision of home care support workers in South Australia and the Northern Territory, along with rural and remote locations.

In fulfilling these contracts, ACA played an important role in addressing the critical skills shortages in the in-home aged care sector, helping aged care providers attract, train and retain new and existing workers to the sector.

During FY23, ACA exceeded the Government's forecasts and retention figures by assisting almost 650 people into positions as personal care workers with 82 per cent of those still in employment.

Apprenticeship Support Australia

Apprenticeship Support Australia (ASA) continued to deliver the Australian Government's Australian Apprenticeship Support Network (AASN), supporting apprentices and their employers navigate the complexity and pressures of skills shortages, business closures and barriers to starting and taking on apprentices and trainees.

ASA supported over 30,000 Australian apprentice commencements in the last financial year and completion rates held at 60 per cent, above the 54 per cent national benchmark. We surveyed non-completing apprentices to identify better workplace and other support mechanisms that will aid in better retention of, and completion rates, for apprentices.

Our Gateway Services offers prospective apprentices or trainees advice on career pathways with a view to matching candidates with the right apprenticeship or traineeship, as part of the AASN contract. In FY23, we supported over 2,900 potential apprentices and employers. Additionally, we provided specialist support to around 300 women interested in male dominated trades.

Our In-Training Support program mentored more than 2,000 apprentices with a minimum of three pastoral and/or occupational support consultations, in addition to supporting 200 women commencing an apprenticeship in traditionally male-dominated trades.

Strong Apprenticeship Support Australia reputation results

In FY23, ASA commissioned reputation research, with results reflecting a strong reputation as perceived by NSW businesses. ASA was recognised for a number of key strengths, including:

- concern for apprentices' well-being
- standing behind its service
- fair in the way it does business, and
- positive influence on society.

“Our customer support centre answered over 100,000 inbound calls from employers.”

The Apprentice Minder program wrapped up in FY23. This program supported 351 Australian Apprentices who were identified as high risk.

An Australian Government initiative, the Mid-Career Checkpoint program, assisted people who have spent time out of the workforce undertaking caring responsibilities and are now looking to return to paid employment. This program came to an end in FY23, with ASA successfully providing 474 applicants with an extensive career plan.

Securing a working future for school leavers

Our Gateway Support Services assisted more than 3,363 young people with career pathways advice, including access to career coaches to help them make well-informed decisions as they finish high school.

Skillsroad, our careers information and advisory service, continued to provide quality career information and connect employers, parents, career advisors and job seekers to tips, resources and career advice. During FY23, we:

- registered 39,044 new members
- increased users of the Skillsroad Career Quiz by 23 per cent year on year
- provided personalised career direction at 203 expos, school visits, virtual events and trade shows.



Thrive PR is Australia's largest independent PR and communications agency.

Supporting entrepreneurs achieve their growth and resilience goals

As the Entrepreneurs' Program delivery partner for NSW/ACT, from July 2020 we assisted over 1,700 entrepreneurs achieve their growth and resilience goals including over 650 clients recovering from bushfire, flood and COVID impacts in regional and remote communities of NSW.

The closing of the program ends a 12+ year partnership for our organisation delivering this rewarding and impactful service.

Highlights from 2016 - 2023 include:

- 2,201 Growth clients completed the Entrepreneurs' Program with our facilitators achieving the following results:
- \$30.7 million in growth grants paid to clients
- 6,427 new jobs
- \$315 million in additional export revenue
- \$2.289 billion in additional domestic revenue

My Business

My Business provides Australian businesses with the resources, information, and tools they need to thrive and succeed.

This year, we consolidated our workplace products onto a single website, enabling us to focus our efforts on one platform. As part of this transition, we successfully moved clients from HR Advance to the Workplace product on My Business. Workplace Phase 2 and Phase 3 were also completed which added the White-label and Professional capabilities to the Workplace platform. Users of WorkplaceInfo and WorkplaceOHS were also successfully migrated to Premium Workplace Content on My Business. Beyond the advantages of a unified platform, this consolidation also ensured our site and products comply with the Right Fit for Risk framework.

The consolidation also supported our shift to My Business content that promotes our Workplace products.

The My Business website continued to enjoy excellent traffic, with more than two million page views and almost 1.5 million unique visits.

Our weekly Business Update newsletters were well-received by members, with an increase in average open rates to 34.8 per cent. More than three million newsletters were delivered, providing information on HR and business news, legislative changes, Fair Work Commission cases, analysis pieces and Q&As.

Members also used our free Award Wage Service to stay up to date on minimum wage increases and pay obligations.

On the social media front, we continued to engage with audiences on LinkedIn and Facebook, with campaigns on cyber, sales promotions and the launch of Workplace.

Our focus on commercial outcomes also paid dividends, with 22 sponsored campaigns for our Media Kit clients and almost 800,000 emails delivered.

Finally, in a year that saw energy prices soar, members who used our energy comparison service enjoyed an average yearly saving of almost \$1500.

Helping businesses stay cybersafe

My Business Cyber is dedicated to assisting businesses in achieving cyber resilience through a comprehensive suite of services and resources. My Business Cyber is a robust and adaptable solution that empowers businesses to thrive in the digital age securely. By combining training, resources, and expert guidance, we foster a culture of cybersecurity, enabling our clients to navigate the digital landscape with confidence, resilience, and enhanced security measures.

Here's how we help businesses stay cyber safe:

Dynamic cyber dashboard

It serves as a centralised hub, offering a holistic view of all product features. The dashboard is intelligently tailored to each client's unique progress, capturing real-time information. This empowers businesses by keeping them informed and in control of their cybersecurity posture.

Automated phishing simulations

Our automated phishing simulations are designed to assess employees' cybersecurity readiness. These simulations replicate real-world phishing attempts, evaluating team member's ability to identify suspicious emails. When vulnerabilities emerge, our product responds swiftly by providing additional training to enhance knowledge and resilience.

Thought leadership and legal support

In addition to training, we provide access to a wealth of thought leadership resources and legal documents. These assets serve as guides, offering expert insights for navigating the intricate terrain of cyber risk management. Businesses can tap into a comprehensive repository of information, policies, checklists, and webinar series to fortify their defences and compliance efforts.



Newtown-based Young Henry's is a group of passionate brewers, distillers, musicians and artists, united for the love of good beer.

Our member Net Promoter Score (mNPS) gauges the loyalty and experience of our members. In FY23, we enhanced our mNPS methodology and set a clear baseline for future comparisons. On a scale of -100 to 100, our baseline mNPS score of 29 was in the favourable range.

Top Tourism Towns

Through the NSW Tourism Industry Council, Business NSW helps businesses operating in the Visitor Economy maximise their potential to ensure New South Wales remains the number one tourism destination in Australia.

This year, Huskisson, Berry, and Newcastle were named winners of the highly coveted NSW Top Tourism Town awards. Each participating town submitted a short video, itinerary and editorial, which was evaluated by a judging committee comprising 10 industry experts. The public was then invited to cast their votes, with a record-breaking response of more than 18,000 individuals voicing their opinions to determine the ultimate Top Tourism Towns for 2023.

During the year, our Workplace Advice Unit took 11,604 calls and our Business Hotline took 3,784 calls

Driving energy efficiency and cost savings for Australian businesses

The Business Energy Advice Program concluded in August 2022, having completed 16,495 consultations and with 7 per cent of all eligible businesses in the country undertaking a BEAP consultation.

SMEs who followed their consultation by switching via Business Australia Energy achieved an average \$1,199 annual saving and 43 per cent of SMEs who received a consultation took actions to reduce energy costs and reinvested the savings in growth, equipment and training.

The BEAP was funded by the Commonwealth Government and provided training and information to Small and Medium-sized enterprises on:

- How to find and switch to the best available tariffs.
- Energy efficient processes, equipment, reduced usage, better habits and how to undertake or access energy metering and energy audits.
- Tailored reports with resources including information on relevant grants, tools, case studies and rebates.

Business NSW continues to advocate for a new business energy advice program to fill the gap left by BEAP, through our research report Unfinished Business and advocacy towards the National Energy Performance Strategy.

Providing legal services to support business

Australian Business Lawyers and Advisers (ABLA)

FY23 saw the start of generational industrial relations reform not experienced in Australia since 2005 with WorkChoices. This time however, the Government are working to move the dial heavily against employer interests.

ABLA continues to play at the forefront of this by:

- Advising the employer council Australian Chamber of Commerce and Industry (ACCI) and employer associations including Australian Business Industrial (ABI) and Business NSW through the fast-changing policy landscape.
- Appearing in leading Fair Work Commission (FWC) cases for employers in critical industry sectors.
- Defending and advancing the interests of its diverse client base from small regional family businesses through to the ASX top 20.

ABLA played a key role in influencing the significant IR Reforms of 2022, giving feedback to government and employer groups and engaging with unions over this period. Participating in numerous consultations with governments provides ABLA with a unique insight into what the industrial regulatory landscape will become, something that truly sets us apart as a leader in this field.

ABLA is representing the childcare industry in the first multi-employer supported bargaining process and has been involved in extensive dialogue with unions and government culminating in the first supported bargaining test case before the FWC.

ABLA continues to represent the aged care industry in the Aged Care Work Value Case, which is the largest work value case since the Fair Work Act in 2009. The case now entering its third year.

In FY23, ABLA supported many clients in education, utilities, transport construction materials and the social and community sector, among others in enterprise bargaining.

“When we formed in 2010 our purpose was to provide something different in the market by specialising in employer-only representation and advice across the spectrum of IR and employment law and practice. The change in political and legislative landscape simply amplifies the role we play and service we provide in Sydney, Melbourne, Newcastle and Brisbane.”

-ABLA CEO Nigel Ward

We finalised a near decade-long case on behalf of ABI and National Disability Services involving rates of pay for employees with a disability in the supported employment sector. The FWC undertook an extensive review of how rates of pay were set for employees working in social enterprises and created a new wage setting methodology not previously seen in awards.

ABLA played a lead role in the Respect@Work consultations with the Federal Government. We also recognised the need to resource businesses to navigate the new sexual harassment ‘Positive Duty’ laws

and developed a unique six-step toolkit for businesses, providing employers guidance on how to successfully navigate these new laws.

ABLA cemented its leading role in the specialist area of owner-driver law and practice with the publishing of the first book on the subject by ABLA’s CEO, Workplace Managing Director Luis Izzo and Director Julian Arndt.

ABLA’s Workplace Advice Unit has continued give up-to-date first point of call information on the latest IR reforms and guidance on workplace relations and employment matters to a large range of employer association members.

ABLA continued to be recognised as a leader in its field:

- **The Legal 500 Leading Labour & Employment Law Firm 2023**
- **Doyles Guide 2022 Leading Employment Law**
- **Doyles Guide 2022 Recommended Safety Law**
- **Awarded Excellence – Employment Law Specialist of the Year 2023, Australasian Law Awards**
- **Finalist – Workplace Relations Team of the Year 2023, Australian Law Awards**

AMP Control is one of the Hunter’s largest employers. AMP Control designs & manufactures innovative products and solutions for the mining and energy sectors.



Delivering on Environment, Social and Governance (ESG) commitment

In FY23, the Business NSW Executive Team and Board endorsed an Enterprise Strategy FY23-2025 aimed at delivering on eight strategic initiatives, one of them being to develop and embed an Environment, Social, and Governance (ESG) framework and strategy.

Our ESG framework and strategy is critical as it will not only increase our members', external stakeholders' and our people's confidence about our purpose of creating a better Australia, but will also support our members and clients in the realisation of their own ESG aspirations.

Our goal is to become a leading advocate and adopter in creating a more sustainable future for business and for our own people. More specifically, our ESG ambitions are to:

- **Environment:** consider climate change risks and their mitigation through energy mix and timely transition to net zero
- **Social:** enable and encourage diverse, equitable and inclusive working arrangements, in a safe and healthy environment for all
- **Governance:** direct and manage our business in a responsible and secure manner, addressing key risks; and report with integrity and transparency for positive contribution to the wider community.

To inform our approach to setting our ESG framework and strategy we completed a materiality assessment - an enterprise-wide audit of our current activities that fall under environment, social and governance.

Our ESG strategy is stakeholder-focused and informed by interviews and surveys with our people and our members. This has enabled us to not only establish a baseline against which we can measure our progress, but provides us with both an internal and external lens with which we're creating our aspirations and prioritising our key focus areas.

ESG by the numbers

In a member survey in May 2023, our members told us their top three ESG priorities are:

96% Health and safety

96% Cyber security

95% Financial responsibility

51% of Business NSW members would like to attend webinars or seminars on ESG topics.

82% of our employees think Business NSW is taking action to be socially responsible.

In May 2023, our employees said their top three ESG priorities are:

96% Worker satisfaction

88% Diversity, Equity and Inclusion

88% Cyber Security

Reconciliation

Reconciliation is a key component of the Business NSW ESG strategy. Business NSW is committed to meaningful engagement and respectful relationships with Aboriginal and Torres Strait Islander communities.

Our vision is to enable a more just and equitable future for all Australians through partnering with First Nations peoples and businesses to support a society where we can prosper together. At the core of our vision is a commitment to address the historic and ongoing injustices experienced by First Nations peoples. We acknowledge that this requires systemic change, both within our organisation and broader society. Our vision is based on the principles of respect, humility, and a willingness to learn and grow. We are committed to listening to and learning from First Nations' voices, whilst also taking concrete actions towards reconciliation, such as promoting understanding and awareness of First Nations' histories and cultures.

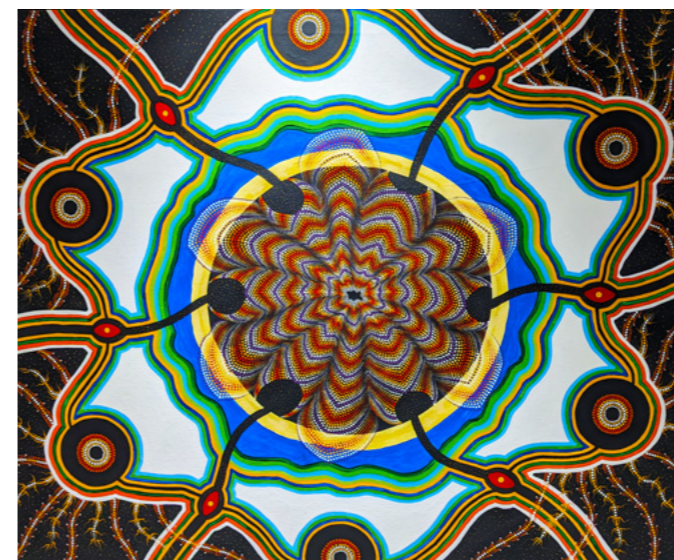
NSW Government-funded electric vehicle pilot program

During FY23, we secured funding from the NSW Government under the EV Fleets Incentive NSW Program to start transitioning our fleet to electric vehicles, supporting our aspiration to achieve net zero carbon emissions by 2030.

Run in partnership with our fleet provider, Mercurien, this initiative will see ten Business NSW employees transfer their company cars to electric vehicles in FY24.

"Reducing fleet emissions from road transport is a critical piece of the pathway to meeting our net zero emissions by 2030 target. The EV Pilot Program will facilitate significant learning and capacity building within our organisation, that we can leverage to support the wider NSW business community, helping businesses understand the benefits and practical considerations of implementing electric vehicles in their fleets." - Daniel Hunter, CEO Business NSW

Reconciliation Artwork



"Djaama"
By Gambirra Illume

This mural was erected on the Land of the Gadigal People of the Eora Nation on 25 May 2023 at Business NSW's Head Office Reception on Level 7, 8 Chifley Square, Sydney NSW 2000.

Driving an engaged high-performing culture

Diversity, equity and inclusion

Business NSW is committed to creating a workplace where people from all backgrounds feel welcome and can thrive. We are proud to have a diverse employee base, with one-fifth of employees identifying as having a culturally and linguistically diverse background.

In FY23, key events were held throughout the year as part of our Diversity, Equity & Inclusion (DEI) calendar. Events were selected based on employee feedback, Business NSW's enterprise values, and alignment with our broader People, Culture and Workplace Plan.

Our key focus areas for FY23 were:

- **Recognising and celebrating our First Nations peoples:** National Reconciliation Week and NAIDOC Week events.
- **Physical and mental wellbeing events:** creating awareness of the importance of looking after your own health and wellbeing and the health and wellbeing of others. Events included R U OK? Day, wellbeing coaching sessions, Bronut's Day to raise money for Gotcha4Life, and an educational webinar on neurodiversity.
- **Gender, gender orientation and culturally and linguistically diverse events:** events included celebrations and awareness around Mardi Gras, International Women's Day and Harmony Week.

These events were primarily delivered in-house by the organisation's DEI Committee and received a high level of participation and engagement from employees over the course of the year.



Gender diversity and the gender pay gap

The gender pay gap measures the difference between the average full-time weekly earnings of women and men in the workforce, expressed as a percentage of men's earnings.

Throughout FY23 Business NSW measured its gender pay gap at an organisational level and conducted audits at department and role level. This analysis found:

- where employees are performing the same role, they are paid comparably;
- there is an opportunity to increase female participation in senior roles, which will have a positive impact on the GPG. The current percentage of women in a senior leadership positions is 39 per cent.

Our focus for FY24 will be to increase the percentage of women in senior leadership roles and increasing gender diversity at other levels of the organisation to close the GPG at an organisational level.

Employee engagement

Business NSW conducted employee surveys in November 2022 and May 2023. Employee engagement results are positive, with 71% of employees feeling engaged at work. This has remained steady since November 2022.

The organisation performed well in topics relating to management, wellbeing, psychological safety, inclusion and ethics, with many questions scoring above external benchmarks.

Work is already underway on areas scoring lower than benchmark, including increasing transparency about how pay is set and reviewed, promoting organisational benefits, increasing cross-business collaboration, and regularly communicating with employees about how feedback is being addressed.



New Head Office

On 8 February 2023, Business NSW officially relocated to 8 Chifley Square, Sydney. The new premise has a 6 Star Green Star Office Design v2 certified rating, representing 'World leadership' in environmentally sustainable design, as well as a 5 Star NABERS energy rating.

The new office facilitates activity-based working and collaboration, and includes a state-of-the-art events space seating up to 100 people. Business NSW looks forward to welcoming members and visitors to the new premises.

Reviewing our remuneration processes and governance

During FY23 Business NSW commenced a project to review remuneration related processes, guidelines and governance operating across the organisation. This includes introducing greater rigour in measuring and evaluating jobs and provide consistent governance around how pay is set and reviewed.

Contribution & Development Planning

In 2023, Business NSW introduced a Contribution and Development Planning cycle to create consistency in how goals are set and reviewed across the organisation. Each employee sets goals with their manager for the financial year and participates in mid-cycle and end-of-year achievement conversations. The organisation's Values and Behaviours featured as part of the employee's Contribution and Development Plans and made up 20 per cent of the overall performance rating, highlighting that 'how' deliverables are achieved is key to organisational success.

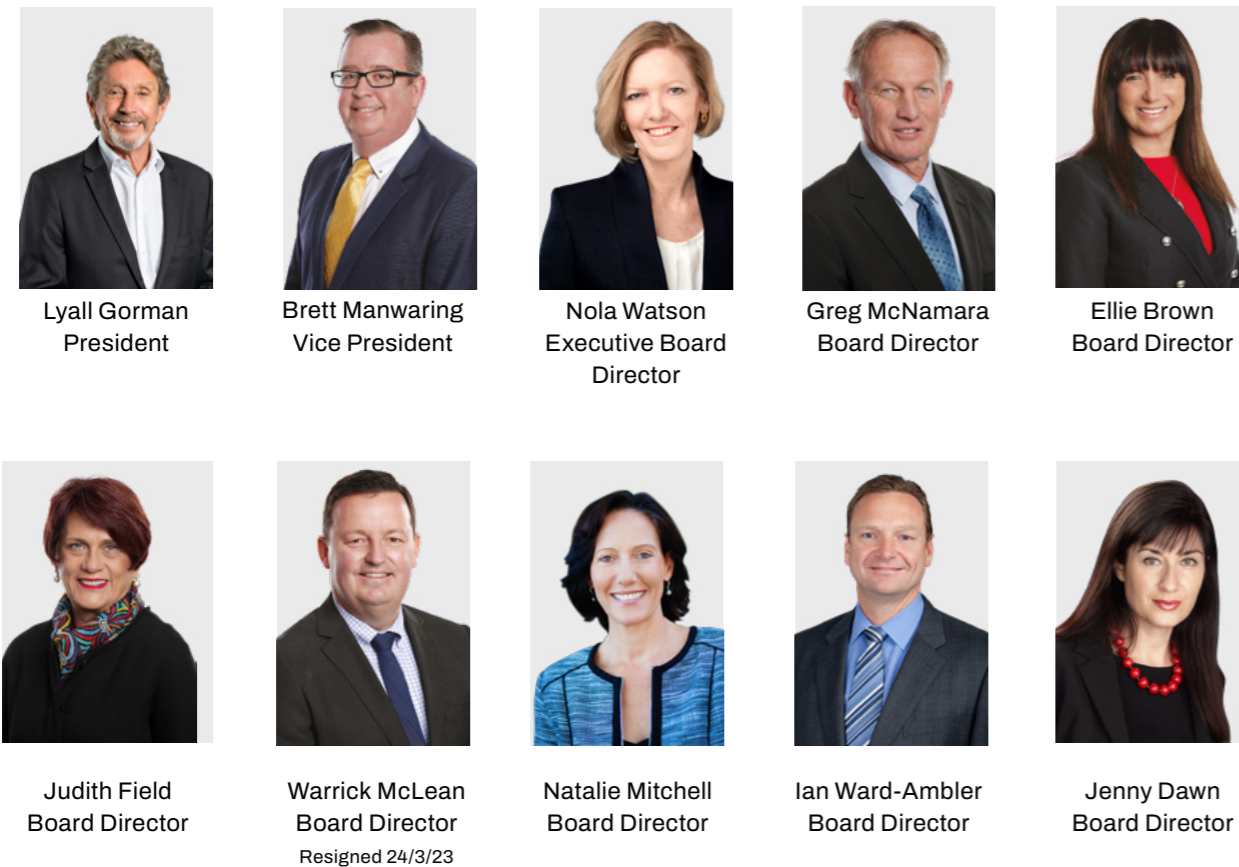
Leadership Development Roadmap

In line with the organisation's Enterprise Strategy, in February 2023, Business NSW identified core leadership capabilities for the organisation based on current and future needs.

The Leadership Development Roadmap outlines key learning initiatives that will be undertaken to develop current and future leaders over the next three years.

Governance

Business NSW is committed to maintaining robust governance and risk management practices that protect our people, members, clients and the communities in which we operate.



The Board

The Board comprises up to eight directors elected from and by the State Council and up to two directors appointed by the Board. The Board has established three committees to assist it in the

discharge of its responsibilities:

- Investment Committee
- Audit, Risk & Compliance Committee
- People, Remuneration and Culture Committee

State Council

The State Council comprises up to 40 representatives of voting members that are elected directly and indirectly by the membership base across the metropolitan and regional areas of New South Wales. The State Council's principal functions include electing the majority of directors on the Board and advising management and the Board in relation to policy and membership matters.

The State Council has established a number of standing committees, each with their own charter, including:

- Business Environment and Economics Committee
- Infrastructure Committee
- Workforce Skills Committee
- Workplace Relations Committee

Councillors

Mr Lyall Gorman (President)	Mr Brett Manwaring (Vice President)	Ms Nola Watson (Immediate Past President)
Mr Omar Afiouni	Ms Barbara Ketley	Ms Ellie Brown
Prof Trevor Cairney OAM	Ms Janine Cullen OAM	Ms Kerrie Sheaves
Ms Kerreanne Nichols	Ms Alexandra Rose	Mr Scott Emerson
Ms Judith Field	Ms Debra Fraser	Mr Steven Moore
Ms Amy Harper	Mr Simon Harrop	Mr Bruce Mackenzie
Mr Luke Magee	Ms Lynn McColl	Mr Andrew Cottrill
Mr Warrick McLean (Resigned)	Mr Greg McNamara	Mr Michael Mekhitarian
Mr Terrence (Terry) Wetherall AM	Mr Brian Millar	Ms Natalie Mitchell
Mr Graham Morgan	Mr David Mumford	Mr Grahame Nash
Ms Anne Parnham	Mr Kerry Wilson	Mr Gary Scott
Mr Andrew Vlachos	Ms Lauren Eyles	Mr Matthew Irvine
Mr Tim Coates	Ms Natalie Turmine	Mr Andrew Vidler
Ms Kerrie Sheaves	Mr John Wakeling	



NSW Treasurer Daniel Mookhey at Labor's election campaign launch to business in February 2023

Appendix 1

Business NSW advocates for its members

During FY23 Business NSW prepared the following submissions to Government and Regulatory Authorities:

1. 2022 Review of the NSW Skills List Methodology Submission
2. A Migration System for Australia's Future Submission
3. ABI / BNSW filing - Same Job / Same Pay, Wage Theft, Discrimination laws, Employee-like Reforms Submission
4. Amendments to the Workers Compensation Regulation 2016 Submission
5. Amendments to the Workers' Compensation Regulation 2016 (penalty notice amounts Submission
6. Annual Wage Review Submission
7. Apprenticeship Review: Review of Australian Apprenticeship Services and Supports Submission
8. Confidential submission re WHS Submission
9. Down to the Wire Report
10. Employment White Paper Submission
11. Health Safety and Wellbeing at Work Submission
12. Independent Review of Infrastructure Australia Submission
13. Inquiry Into the 2022 Review of the Workers Compensation Scheme Submission
14. Inquiry into the Perceptions and Status of Vocational Education and Training Submission
15. Investment NSW Industry Green Paper: Securing Future Innovation and Global Competitiveness in NSW Submission
16. Jobs and Skills Australia Submission
17. McDougall Review into SafeWork NSW Submission
18. National Energy Performance Strategy Submission
19. Paper presented at Hunter Automation and AI Conference Report
20. Perceptions and Status of the Vocational Education and Training sector Submission
21. Pre-Budget Submission to the Commonwealth Government Submission
22. Privacy Act Review 2022 Submission
23. Respect@Work: Options to Progress Further Legislative Recommendations Submission
24. Revaluing Sydney's CBD: Recycling buildings to create more value through mixed use Report
25. Review of NSW Fare-Free Public Transport Initiative Report
26. SafeWork NSW's Health, Safety and Wellbeing at Work submission Submission
27. Securing Australia's Domestic Gas Supply Options Submission
28. Senate Committee on the National Reconstruction Fund Corporation Bill Submission
29. SIRA Self-Review Audits Submission
30. SIRA's proposed increases to penalty provisions Submission
31. Unfinished Business Report
32. Greater Entertainment for Greater Sydney: Permanent performance Shells Report
33. Business Improvement Districts Discussion Paper Submission
34. Investment Priorities for Sydney Olympic Park Report
35. Parramatta CBD planning proposal Submission
36. City North | Public Domain Plan - City North | Public Domain Plan Submission
37. Improving Women's engagement in the Night time Economy Report
38. Greater Sydney Commission Six Cities Region Discussion Paper Submission
39. Illawarra Shoalhaven Defence Industry Conference Report
40. Submission – Submission to WCC Draft Housing Strategy Submission
41. The Illawarra Shoalhaven 10-year defence industry strategy Report
42. Ammonium Nitrate Storage in NSW - Discussion Paper Submission
43. Business Improvement Districts Discussion Paper Submission
44. Local Event Day Submission Submission
45. NSW EPA Draft Climate Change Policy and Action Plan Submission
46. Renewable Energy Zone Draft Declaration Submission
47. Six Cities Visions - Discussion Paper Submission
48. We Mean Business - Hunter NSW State Election Platform Submission

Regional Advisory Councils (RACs)

Our RACs advise the State Council on policy issues that affect our regional members. They also provide a direct line of communication from our members to our management team and the Board.

Executive Leadership Team

Chief Executive Officer – Daniel Hunter

Chief Financial Officer – Ben Pearce

General Counsel and Company Secretary - Chris Burubu

Executive Director, Commercial – David Stewart

CEO, ABLA – Nigel Ward

Executive Director, Corporate Strategy and Office of the CEO – Shefali Amin

Executive Director, People, Culture and Workplace – Zaklina Craig

Executive Director, Policy and Advocacy – David Harding

Executive Director, Australian Apprenticeships and Support Centre – Peter Gilchrist

BUSINESS NSW

Financial report
30 June 2023

NSW Business Chamber Limited
Trading as Business NSW

ABN 63 000 014 504

Founded by locals in a garage in Byron Bay, Zepto Payments is a real-time, account to account payments provider. Zepto recently won Fintech of the Year and is a previous Business NSW business award winner.



NSW Business Chamber Limited Trading as Business NSW Directors' Report 30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of NSW Business Chamber Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were directors of NSW Business Chamber Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

L N Gorman (President)
B A Manwaring (Vice President)
N Watson
E T Brown
J R Field
J Dawn
G J McNamara
N Mitchell
I Ward-Ambler
W McLean (resigned on 24 March 2023)

Objectives

The consolidated entity's core mission is to create a better Australia by maximising the outcome and potential of Australian businesses.

The consolidated entity's vision encompasses being NSW's premier business organisation for small and medium-sized enterprises and large businesses; the recognised strong and respected voice for business in NSW; the pre-eminent thought leader and advocate for business; and to invigorate business through the delivery of a wide range of relevant, quality and innovative advice, services and solutions available to all businesses wherever located.

Strategy for achieving the objectives

The consolidated entity's strategy to deliver on its vision includes:

- Attracting, developing and retaining the best and the brightest talent in the market;
- Investing in enabling technology to support stability, member/client engagement and product/service delivery and innovation;
- Focusing on research and business engagement to develop thought leadership reports that address issues impacting on business;
- Profitable growth through a concentration on core activities and competencies and through targeted acquisitions;
- Considered, effective and relevant governance to maximise the value provided to members, clients and the wider business community;
- Maximising returns from a diversified investment portfolio to support its activities and to fund strategic projects as well as capability development to anticipate and pro-actively deliver on business needs; and
- Championing a collaborative chamber network to exert impactful influence on government at all levels, local, state and federal, to benefit business and the wider Australian community.

Principal activities

During the financial year, the principal activity of the consolidated entity continued to be an employer association, to promote, encourage, maintain and assist the manufacturing industry and trade and commerce in Australia through the provision of business services, support and advocacy.

Review of operations

The past financial year has been a year of challenges, with factors such as a high inflationary environment and a change in government policies having an impact on grant revenue and costs. Despite this, Business NSW has navigated these difficulties with a strategic approach. A key contributing factor to this resilience was the absence of pre-existing debt, which provided a solid financial foundation. Additionally, the ability to utilise the investment fund to meet working capital requirements proved critical in maintaining a debt free position. Business NSW has demonstrated resilience by reducing its ongoing operational cost base. Fortunately, due to these measures and a lack of debt reliance, the overall impact of these challenges has been kept to a minimum.

Significant events

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Performance measures

The consolidated entity's performance is constantly measured against the following key performance indicators:

- Financial performance to budget, forecast and benchmark;
- Member retention and acquisition;
- Client satisfaction;
- Employee engagement;
- Policy and advocacy outcomes;
- Media effectiveness; and
- Various operational metrics appropriate to specific business activities.

Information on directors

Name: Lyall N Gorman
Title: President
Qualifications: Dip Teach, BEd, MEd Admin
Experience and expertise: Lyall Gorman is the President of the company, having served as a Board Director for the past nine years and formerly as Deputy President. He is also a Director of the Australian Chamber of Commerce and Industry (ACCI). A former Executive Director of an ASX listed Merchant Bank and Corporate Finance and Advisory company, Lyall joined one of Australia's largest community house providers, Evolve Housing in May 2019 as CEO. He has over 35 years' experience in senior management, project management and administration, in both the public and private sectors. He holds a Master's Degree in Administration (UNSW) with majors in Finance, Organisational Culture and Change, Organisational Behaviour, Statistics and Marketing. He was the founding Chairman of the Western Sydney University Centre for Research Advisory Board, served as a Director of Cricket NSW for five years and has a distinguished career in sports administration, having been the founding CEO and Executive Chairman of two Hyundai A-League Clubs, the Central Coast Mariners and Western Sydney Wanderers, the Head of the Hyundai A-League, Group CEO of the Cronulla Sharks and CEO of Manly Warringah Sea Eagles in the NRL while also sitting on the Asian Football Confederation for a five year period. Lyall was born in Griffith, NSW and has a passion for small business, mentoring emerging business leaders and aspirational youth while also figuring on the public speaking circuit in areas including leadership, building a winning culture, high performance, brand, development and consumer engagement.

Special responsibilities: Member of all Board Committees.

Name: Brett A Manwaring
Title: Vice President
Qualifications: B.Econ (Accounting), Six Sigma (Green Belt)
Experience and expertise: Brett was appointed Vice President in February 2020. He joined as a Councillor in 2009 before being elected to the Board in 2012. Brett is a former Director of the Illawarra Business Chamber, current joint Trustee of the Illawarra First Fund, and Chief Financial Officer and General Manager, Corporate Services of Evolve Housing Ltd and its related entities. Brett's previous experience includes almost two years as Chief Operating Officer at Manly Sea Eagles, nine years as a director with Australasian advisory firm PPB Advisory, five years as Chief Operating Officer and Chief Financial Officer of a major Australian based textiles manufacturing, wholesale and distribution group and more than ten years banking and finance experience, including roles with GE Capital, St George Bank and Commonwealth Bank of Australia.

Special responsibilities: Chair of the Audit, Risk and Compliance Committee, Member of the Investment Committee, Chair of Recruitment Solutions Group Australia Pty Ltd and Chair of Australia Business Solutions Group Pty Ltd.

Name: Nola Watson FAICD
Title: Non-executive director
Qualifications: BA (Syd) Master Public Policy (ANU), Advanced Management Program (INSEAD), Advanced Risk Management Program (Wharton)
Experience and expertise: Nola has been a Director since 2014, is the immediate past President and was previously the Chair of the Audit, Risk and Compliance Committee and the Business Environment & Economics Committee. She is the President of the Australian Chamber of Commerce and Industry. She is also the Vice Chair of the World Chambers Federation. Nola is an experienced company director with a strong executive career in risk management, governance and business strategy. She is the Principal of Indar Business Consulting. For over a decade, she held executive leadership roles in one of Australia's largest insurance companies, Insurance Australia Group ('IAG'). Prior to this, Nola spent many years in senior executive positions within the Commonwealth and NSW governments. Nola has been a Director of the IAG and NRMA Superannuation Board and Chair of its Audit and Risk Committee. She was also a Director of Australian Services Roundtable, Business for Millennium Development and the State Records Authority of NSW.

Special responsibilities: Chair of Australian Business Lawyers & Advisors ('ABLA') and Member of the Investment Committee.

Name: Eleanor ('Ellie') T Brown
Title: Non-executive director
Qualifications: BBus: Marketing (CSU), Master: Leadership (Deakin), WLA Advanced Leadership Program, Cert IV TAE, Cert IV Beauty Therapy, GAICD
Experience and expertise: Ellie joined as a Councillor in 2005 before being elected to the Board in 2012. Ellie was previously the Chair of the Human Resources and Succession Committee. Ellie is the Principal of Ellie Brown Business Solutions, a business consulting company specialising in working with small to medium businesses, focusing on strategy, change, organisational and leadership development. She is also a Strategic Consultant at Lysander who specialise in leadership development and cultural transformation. As part of this role Ellie is working with tier 1 construction companies focusing on building a culture of positive mental health and wellbeing. Ellie's previous experience includes working with Women in Leadership Australia as a Senior Facilitator and Executive Coach, as a teacher and programme coordinator at TAFE NSW, in Leadership and Management. Ellie was previously the owner-operator of multi-site/multi-discipline small businesses in regional NSW. Ellie joined the Local Chamber movement over 20 years ago. She was the President of the Orange Business Chamber and the founding President of the Central West Business Chamber. Ellie was named in the Australian Financial Review and Westpac 100 Women of Influence Awards and Orange Electorate Woman of the Year, for her work within the business community and her involvement with the Business Chamber. She is passionate about helping people be the best version of themselves and volunteers as a mentor at Rare Birds Australia.

Special responsibilities: Member of the Human Resources and Succession Committee.

**NSW Business Chamber Limited
Trading as Business NSW
Directors' Report
30 June 2023**

Name: Judith R Field
Title: Non-executive director
Qualifications: Dip Teach: Early Childhood Education, MAICD
Experience and expertise: Judith has been a Councillor since 2005 and a Director since 2016. She chaired the Workforce Skills Committee from 2006 to 2018 and was a member of the Board's Investment Committee from 2016 to 2018. She is currently a Senior Consultant with JBA Corporate Consultants. In 2002, Judith joined Lendlease and had a 20 year career with various roles within the Development and Building businesses with a strong focus on workforce participation, economic and social sustainability across Australia. Prior to Lendlease, Judith worked for 11 years at the University of Western Sydney (now WSU) in business development and research commercialisation and was an elected representative on the Board of Trustees. Her career has included early childhood teaching, retail and marketing experience as buyer/senior buyer with the Myer Group, and operation of her own successful marketing consultancy company for six years. Judith has been active in the Western Sydney region for over 30 years through several organisations including Penrith Valley Chamber of Commerce where she was a member of the Executive Committee as Vice President and President; as Vice Chairperson of the Board of Mamre Plains Ltd; as a Board Member of Penrith Business Alliance, and Chair of its Finance and Risk Committee. She was appointed to the Board of Western Sydney Parklands Trust from 2018 to 2020. She is currently Vice Chairperson on the Board of Cancer Wellness Support.

Special responsibilities: Chair of the Human Resources and Succession Committee and Chair of Business Environment and Economics Committee.

Name: Jenny Dawn
Title: Non-executive director
Qualifications: Masters in Project Management, MBA, GAICD
Experience and expertise: Jenny was appointed to the Board in March 2020. She is an accomplished executive, who has enjoyed success in various roles leveraging her leadership and experience in technology, innovation, cyber security, digital and strategy. She has delivered organisation change over a broad range of sectors, including finance, banking, funds management, superannuation, insurance, port authority, recruitment, primary and secondary health care. Her most recent roles include Group Director Digital and Transformation at St John of God Healthcare, member of the Optus Advisory Board, Chief Information Officer at Primary Health Care Limited, Non-Executive Director at Talent International, Chief Information Officer at Perpetual Limited, General Manager IT at Sydney Ports Corporation and Head of Technology and Chief Operating Officer at Westpac Banking Corporation. She currently holds two other Non-Executive Director positions on the boards of Westfund Health Insurance and Combined Dispensaries Friendly Society Ltd. Jenny chairs the Risk Committee for both of these boards.

Special responsibilities: Member of the Audit, Risk and Compliance Committee.

Name: Gregory J McNamara
Title: Non-executive director
Qualifications: MAICD
Experience and expertise: Greg joined as a Councillor in 2013 before being elected to the Board in 2014. Greg has spent his entire life working in the agricultural sector, firstly as a dairy share farmer, then moving to farm ownership in his mid-twenties. Greg currently runs a 450-strong dairy herd in partnership with his wife Sue and sons Todd and Andrew at Goolmangar, near Lismore. Greg was a Director of Norco Co-operative Limited between 1996 and 2020 and was Chairman of Norco's Board between 1999 and July 2020 and Interim CEO from 2018 and 2019. Until recently, Greg was also a member of the Northern Rivers Cooperatives Alliance and Chair of Australian Organic Industries.

Special responsibilities: Chair of the Investment Committee and Member of the Human Resources and Succession Committee.

**NSW Business Chamber Limited
Trading as Business NSW
Directors' Report
30 June 2023**

Name: Natalie Mitchell
Title: Non-executive director
Qualifications: M.Comm (Professional Accounting), GAICD
Experience and expertise: Natalie was elected to the Council in 2015 and was elected to the Board in February 2020. Natalie's 25-year career in business management began with accounting and finance roles with Arthur Andersen, AGL and Dairy Farmers. These roles led to involvement in business management and inventory control software, taking her overseas to lead sales and software design and implementation teams in Tokyo, Singapore and Chicago. Upon returning to Australia, Natalie founded her own business, Capital Office Business Solutions, which provides business advisory services to businesses in the mid and north coast of NSW, including risk management, financial modelling, strategic planning, management accounting and systems implementation services. Natalie is passionate about promoting and developing businesses in regional Australia and was the Chair of Business NSW's Regional Presidents' Forum.

Special responsibilities: Member of the Audit, Risk and Compliance Committee.

Name: Ian Ward-Ambler
Title: Non-executive director
Qualifications: BA (Melbourne), Advanced Management Program (INSEAD)
Experience and expertise: Ian was appointed to the Board in March 2020. He has spent most of his career in financial services, initially with JBWere/Goldman Sachs where he served as a director and member of the Management Committee and Risk Committee. He was President of JBWere's Securities Division in New York from 1995 to 2000. Ian was a director of the Financial Services Council, the industry peak body from 2010 to 2012. His final executive role was Chief Executive Officer of Goldman Sachs Asset Management in Australasia, which had \$12 billion in assets under management. Ian is also a member of the following boards: CBA Group Superannuation Board (Chair, Investment Committee); Melbourne Grammar School (Chair, Investment Management Committee); Trinity College, University of Melbourne (Member, Investment Committee); Melbourne University Advisory Board – Indigenous Leadership, Excellence and Achievement Program; The Man Cave Global (Chair). Ian's previous board roles included Deputy Chair of Voyager Indigenous Tourism (Ayers Rock Resort), Deputy Chair of Australia's National Research Organisation for Women's Safety and Chair of the Indigenous Land Corporation's Board's Finance & Legal Committee. Ian is also an experienced executive coach.

Special responsibilities: Member of the Investment Committee.

Name: Warrick McLean
Title: Non-executive director
Qualifications: MBA, GradDipFinMan, BA
Experience and expertise: Warrick first joined as a Councillor in 2014, having been a former Vice President and Past President of Western Sydney First and was appointed to the Board in 2018. Warrick is an experienced leader with a proven record in creating change through organisational transformation and process redesign. Warrick has over 25 years' experience in senior leadership roles within professional service organisations in Sydney and regional NSW. His success has been demonstrated through a track record of growing professional services firms, and creating sustainable performance improvement. His high level interpersonal skills allow him to genuinely engage with stakeholders at all levels. Warrick is a Local Resident Representative member, City of Parramatta Local Planning Panel, a member of Parramatta Powerhouse Community Reference Group and Co-Chair, Centre for Legal Innovation Advisory Board.

Special responsibilities: Member of the Audit, Risk and Compliance Committee, Member of the Human Resources and Succession Committee and Chair of the Workforce Skills Committee.

NSW Business Chamber Limited
Trading as Business NSW
Directors' Report
30 June 2023

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Investment	
	Attended	Held	Attended	Held
L N Gorman*	7	7	3	3
B A Manwaring	7	7	-	3
N Watson	7	7	3	3
E T Brown	5	7	-	-
J R Field **	5	7	1	-
J Dawn	7	7	-	-
G J McNamara	7	7	3	3
N Mitchell	6	7	-	-
I Ward-Ambler	6	7	3	3
W McLean	5	5	-	-

	Audit, Risk & Compliance		Human Resources & Succession	
	Attended	Held	Attended	Held
L N Gorman *	4	4	4	4
B A Manwaring	4	4	-	-
N Watson **	2	-	1	-
E T Brown **	1	-	4	4
J R Field	-	-	4	4
J Dawn	4	4	-	-
G J McNamara **	1	-	3	4
N Mitchell	3	4	-	-
I Ward-Ambler **	3	-	-	-
W McLean	2	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

- * The President is an ex officio member of all committees.
- ** Attended meetings but not a member of the committee.

Company secretary

Chris Burubu (LLB (Hons), BA, GAICD) was appointed to the role of General Counsel & Company Secretary in 2017. Chris has 20 years of legal experience, with expertise in mergers and acquisitions, private equity, capital markets and general commercial law. Chris was previously the General Counsel of Transfield Holdings and has also held senior legal roles at AMP, Lazard and MinterEllison.

Corporate governance

The consolidated entity is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board considers that the governance framework and adherence to that framework are fundamental in demonstrating that the directors are accountable to stakeholders and are appropriately overseeing the management of risk and the future direction of the consolidated entity.

Contributions on winding up

In the event of the company being wound up, members are required to contribute a maximum of \$10 each.

The total amount that members of the company are liable to contribute if the company is wound up is \$895,780 (2022: \$904,410) based on 89,578 (2022: 90,441) current ordinary members.

The Constitution does not permit the return of capital or the distribution of surplus by way of dividend to members.

NSW Business Chamber Limited
Trading as Business NSW
Directors' Report
30 June 2023

Trading as Business NSW
 Directors' report
 30 June 2023

Rounding of amounts

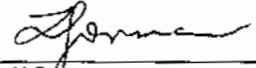
The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

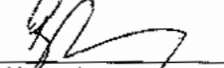
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors


 L N Gorman
 Director


 B A Manwaring
 Director

19 September 2023
 Sydney



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www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

**NSW Business Chamber Limited
Trading as Business NSW
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30 June 2023**

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DECLARATION OF INDEPENDENCE BY STEPHEN MAY TO THE DIRECTORS OF NSW BUSINESS CHAMBER LIMITED

As lead auditor of NSW Business Chamber Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NSW Business Chamber Limited and the entities it controlled during the period.

BDO Audit Pty Ltd

Stephen May
Director

Sydney, 19 September 2023

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

NSW Business Chamber Limited
Trading as Business NSW
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

NSW Business Chamber Limited
Trading as Business NSW
Statement of financial position
As at 30 June 2023

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Revenue	4	306,110	309,845
Gains/(losses) and investment income	5	16,895	(2,954)
Interest revenue calculated using the effective interest method		218	15
Expenses			
Advertising and marketing expense		(4,076)	(5,755)
Direct salary and other costs of providing services		(191,344)	(181,269)
Consultants, governance, legal and professional expenses		(5,863)	(7,344)
Employee benefits expense		(87,514)	(87,915)
Events and training		(3,363)	(3,486)
Depreciation and amortisation expense	6	(10,473)	(8,856)
Finance and investment costs		(1,843)	(1,960)
Impairment of receivables	8	(73)	(457)
Information technology expense		(13,342)	(15,025)
Motor vehicle expense		(1,967)	(1,700)
Building and occupancy costs		(2,397)	(2,169)
Telecommunication expense		(1,936)	(1,884)
Travel and entertaining expense		(2,406)	(1,242)
Other expenses		(2,914)	(3,307)
Finance costs	6	(1,182)	(847)
Deficit before income tax expense		(7,470)	(16,310)
Income tax expense	7	(803)	(145)
Deficit after income tax expense for the year		(8,273)	(16,455)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(8,273)</u>	<u>(16,455)</u>
Deficit for the year is attributable to:			
Non-controlling interest		1,640	720
Members of NSW Business Chamber Limited		(9,913)	(17,175)
		<u>(8,273)</u>	<u>(16,455)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		1,640	720
Members of NSW Business Chamber Limited		(9,913)	(17,175)
		<u>(8,273)</u>	<u>(16,455)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents		10,703	15,935
Trade and other receivables	8	32,186	35,171
Contract assets	9	5,050	9,023
Financial assets at fair value through profit or loss	10	176,845	183,075
Investments in cash managed trusts	11	68,776	74,396
Other assets	12	2,067	3,105
Total current assets		<u>295,627</u>	<u>320,705</u>
Non-current assets			
Property, plant and equipment	13	5,271	3,139
Right-of-use assets	14	20,082	11,057
Intangibles	15	36,853	38,168
Other assets	12	3,772	971
Total non-current assets		<u>65,978</u>	<u>53,335</u>
Total assets		<u>361,605</u>	<u>374,040</u>
Liabilities			
Current liabilities			
Trade and other payables	16	17,770	25,150
Lease liabilities	17	1,877	5,149
Contract liabilities	18	13,874	17,883
Income tax payable	7	110	227
Employee benefits	19	7,556	9,339
Provisions	20	1,369	1,554
Total current liabilities		<u>42,556</u>	<u>59,302</u>
Non-current liabilities			
Lease liabilities	17	19,373	7,096
Employee benefits	19	2,296	2,440
Provisions	20	888	437
Total non-current liabilities		<u>22,557</u>	<u>9,973</u>
Total liabilities		<u>65,113</u>	<u>69,275</u>
Net assets		<u>296,492</u>	<u>304,765</u>
Equity			
Retained surpluses		295,932	305,845
Equity attributable to the members of NSW Business Chamber Limited		295,932	305,845
Non-controlling interest		560	(1,080)
Total equity		<u>296,492</u>	<u>304,765</u>

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

**NSW Business Chamber Limited
Trading as Business NSW
Statement of changes in equity
For the year ended 30 June 2023**

**NSW Business Chamber Limited
Trading as Business NSW
Statement of cash flows
For the year ended 30 June 2023**

	Retained surpluses \$'000	Non- controlling interest \$'000	Total equity \$'000
Consolidated			
Balance at 1 July 2021	323,020	(1,800)	321,220
(Deficit)/surplus after income tax expense for the year	(17,175)	720	(16,455)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive (deficit)/income for the year	(17,175)	720	(16,455)
Balance at 30 June 2022	<u>305,845</u>	<u>(1,080)</u>	<u>304,765</u>
Consolidated			
Balance at 1 July 2022	305,845	(1,080)	304,765
(Deficit)/surplus after income tax expense for the year	(9,913)	1,640	(8,273)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive (deficit)/income for the year	(9,913)	1,640	(8,273)
Balance at 30 June 2023	<u>295,932</u>	<u>560</u>	<u>296,492</u>

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		334,558	332,475
Payments to suppliers and employees (inclusive of GST)		(357,435)	(339,531)
Receipts from members (inclusive of GST)		6,591	8,113
Interest paid		(1,182)	(847)
Income taxes paid		(110)	(1,366)
Interest received		218	15
Net cash used in operating activities	30	<u>(17,360)</u>	<u>(1,141)</u>
Cash flows from investing activities			
Proceeds from/(payments for) investments		4,615	(13,633)
Payments for property, plant and equipment	13	(4,466)	(828)
Payments for intangibles	15	(234)	(342)
Dividends and investment income		18,707	22,508
Net cash from investing activities		<u>18,622</u>	<u>7,705</u>
Cash flows from financing activities			
Repayment of lease liabilities		(6,494)	(5,681)
Net cash used in financing activities		<u>(6,494)</u>	<u>(5,681)</u>
Net (decrease)/increase in cash and cash equivalents		(5,232)	883
Cash and cash equivalents at the beginning of the financial year		<u>15,935</u>	<u>15,052</u>
Cash and cash equivalents at the end of the financial year		<u>10,703</u>	<u>15,935</u>

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

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

**NSW Business Chamber Limited
Trading as Business NSW
Notes to the financial statements
30 June 2023**

Note 1. General information

The financial statements cover NSW Business Chamber Limited as a consolidated entity consisting of NSW Business Chamber Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is NSW Business Chamber Limited's functional and presentation currency.

NSW Business Chamber Limited is a not-for-profit public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7
8 Chifley Square
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 September 2023. The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available on the company's websites:
www.businessnsw.com

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASB') and Interpretations issued by the Australian Accounting Standards Board, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

These financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss (which includes investments in cash managed trusts).

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 33.

**NSW Business Chamber Limited
Trading as Business NSW
Notes to the financial statements
30 June 2023**

Note 2. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NSW Business Chamber Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. NSW Business Chamber Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. (Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment). Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Fee for services and other related income

Fee for service, including apprenticeship placement fees and legal services income, are recognised over time, on delivery of service in accordance with engagement letters or other relevant contracts or agreements.

Other products' income is recognised at a point in time, when goods are despatched to a customer.

Recruitment services

Recruitment services income are recognised as revenue over time when on-hire staff provide services in accordance with the recruitment contract.

Membership fees

Membership fees comprise annual subscriptions and are recognised over time as revenue on a monthly basis over the period of membership.

Other revenue

Other revenue is recognised at the point in time when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by unused tax losses and the adjustment recognised for prior periods, where applicable.

Investment income

Dividend income is recognised when it is received or when the right to receive payment is established.

Interest income from managed investments is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Grant revenue is recognised in profit or loss when the consolidated entity satisfies the performance obligations stated within the funding agreements.

Note 2. Significant accounting policies (continued)

If conditions are attached to the grant which must be satisfied before the consolidated entity is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Volunteer services

The consolidated entity has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	2-10 years
Furniture, fixtures and equipment	2-10 years
Motor vehicles	2-5 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 2. Significant accounting policies (continued)

Software development

Software development acquired in a business combination is capitalised at the fair value on acquisition. Costs incurred in developing products or systems and costs incurred in acquiring software and licences include the external direct costs of materials and services. An intangible asset arising from software development expenditure on an internal project is recognised only when the consolidated entity can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Capitalised software development is amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between three and five years. Amortisation commences when the asset is available for use.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for employee benefits leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long-term employee benefits

Liabilities for employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The consolidated entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Note 2. Significant accounting policies (continued)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Amending accounting standards issued but not mandatory are not expected to have a significant impact on the financial statements of the consolidated entity as they provide either clarification of existing accounting treatment or editorial amendments.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows (refer to note 15).

Impairment of non-financial assets other than goodwill

The consolidated entity assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Control of entities where less than half of voting rights held

Management has determined that the consolidated entity controls Hunter Business Chamber Limited, even though it holds no voting rights of this Chamber. Control is established via contractual agreements.

Management has determined that the consolidated entity controls Productivity Force Holdings Pty Ltd, even though it holds only 50% of the voting rights of this company. Control is established via contractual agreements.

Management has also determined that the consolidated entity has control over Australian Business Foundation Limited, CBD Sydney Chamber of Commerce Limited, Illawarra Business Chamber, Sydney Chamber of Commerce and Business Australia, which are all companies limited by guarantee. Control is established via sole membership and voting rights that the parent entity has in these entities.

Note 4. Revenue

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Revenue from contracts with customers</i>		
Fee for service and other related income	66,509	81,964
Recruitment services	233,887	222,545
Membership fees	5,653	5,270
	<u>306,049</u>	<u>309,779</u>
<i>Other revenue</i>		
Rents and sub-lease rentals	61	66
Revenue	<u>306,110</u>	<u>309,845</u>

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Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Geographical regions</i>		
Australia	<u>306,049</u>	<u>309,779</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	11,406	12,333
Services transferred over time	<u>294,643</u>	<u>297,446</u>
	<u>306,049</u>	<u>309,779</u>

Note 5. Gains/(losses) and investment income

	Consolidated	
	2023	2022
	\$'000	\$'000
Net fair value loss on investments	(2,377)	(26,071)
Net loss on disposal of assets	(535)	(354)
Dividend income	19,474	23,444
Interest income from managed investments	<u>333</u>	<u>27</u>
Gains/(losses) and investment income	<u>16,895</u>	<u>(2,954)</u>

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Note 6. Expenses

	Consolidated	
	2023	2022
	\$'000	\$'000
Deficit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	1,240	358
Furniture, fixtures and equipment	995	1,059
Motor vehicles	22	31
Buildings right-of-use assets	5,218	4,440
Motor vehicles right-of-use assets	1,293	885
Computer equipment right-of-use assets	<u>156</u>	<u>166</u>
Total depreciation	<u>8,924</u>	<u>6,939</u>
<i>Amortisation</i>		
Software development	<u>1,549</u>	<u>1,917</u>
Total depreciation and amortisation	<u>10,473</u>	<u>8,856</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>1,182</u>	<u>847</u>
<i>Leases</i>		
Short-term lease payments	<u>872</u>	<u>941</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>22,889</u>	<u>20,561</u>

Note 7. Income tax (benefit)/expense

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Deficit before income tax expense	<u>(7,470)</u>	<u>(16,310)</u>
Tax at the statutory tax rate of 30%	(2,241)	(4,893)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax exempt loss/(income)	4,308	6,431
Tax (income)/loss	<u>(261)</u>	<u>(1,178)</u>
Prior year tax losses not recognised now recouped	<u>1,806</u>	<u>360</u>
	<u>(1,003)</u>	<u>(215)</u>
Income tax expense	<u>803</u>	<u>145</u>

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Note 7. Income tax (benefit)/expense (continued)

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	14,434	17,819
Potential tax benefit @ 30%	4,330	5,346

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. These tax losses reside in a subsidiary of the company that itself is subject to income tax.

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Provision for income tax</i>		
Provision for income tax	110	227

Note 8. Trade and other receivables

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Trade receivables	30,616	33,392
Less: Allowance for expected credit losses	(747)	(1,185)
	29,869	32,207
Other receivables	2,317	2,964
	32,186	35,171

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$73,000 (2022: \$457,000) in profit or loss in respect of impairment of receivables for the financial year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022	2023	2022
	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	0.14%	0.13%	15,113	17,783	21	23
30 days overdue	0.46%	0.49%	8,190	7,470	38	37
60 days overdue	1.72%	1.86%	2,461	1,872	42	35
Over 90 days overdue	13.31%	17.39%	4,852	6,267	646	1,090
			30,616	33,392	747	1,185

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Note 8. Trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
Opening balance	1,185	1,037
Additional provisions recognised	73	457
Receivables written off during the year as uncollectable	(511)	(309)
Closing balance	747	1,185

Note 9. Contract assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Contract assets	5,050	9,023

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	9,023	5,463
Additions	267,822	279,621
Transfer to trade receivables	(271,795)	(276,061)
Closing balance	5,050	9,023

Note 10. Financial assets at fair value through profit or loss

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Shares and units in public entities	127,347	129,690
Shares and units in unrelated entities (including equity and pool trusts)	38,244	40,675
Other investments (including corporate bonds and investment trusts)	11,254	12,710
	176,845	183,075

Refer to note 22 for further information on fair value measurement.

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Note 11. Investments in cash managed trusts

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Investments in cash managed trusts	67,855	73,299
Illawarra First Fund	921	1,097
	<u>68,776</u>	<u>74,396</u>

The purpose of the Illawarra First Fund is to provide funding for strategic business leadership in the Illawarra region.

Refer to note 22 for further information on fair value measurement.

Note 12. Other assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Prepayments	1,882	2,534
Employee insurance related deposits	185	571
	<u>2,067</u>	<u>3,105</u>
<i>Non-current assets</i>		
Term deposits	3,772	971
	<u>5,839</u>	<u>4,076</u>

Note 13. Property, plant and equipment

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	8,407	10,672
Less: Accumulated depreciation	(4,263)	(9,585)
	<u>4,144</u>	<u>1,087</u>
Furniture, fixtures and equipment - at cost	5,530	5,509
Less: Accumulated depreciation	(4,403)	(3,535)
	<u>1,127</u>	<u>1,974</u>
Motor vehicles - at cost	43	227
Less: Accumulated depreciation	(43)	(149)
	<u>-</u>	<u>78</u>
	<u>5,271</u>	<u>3,139</u>

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Note 13. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$'000	Furniture, fixtures and equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2021	1,439	2,229	91	3,759
Additions	6	804	18	828
Depreciation expense	(358)	(1,059)	(31)	(1,448)
	<u>1,087</u>	<u>1,974</u>	<u>78</u>	<u>3,139</u>
Balance at 30 June 2022	1,087	1,974	78	3,139
Additions	4,297	169	-	4,466
Disposals	-	(21)	(56)	(77)
Depreciation expense	(1,240)	(995)	(22)	(2,257)
	<u>4,144</u>	<u>1,127</u>	<u>-</u>	<u>5,271</u>

Note 14. Right-of-use assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	24,509	19,518
Less: Accumulated depreciation	(6,437)	(10,920)
	<u>18,072</u>	<u>8,598</u>
Motor vehicles - right-of-use	3,861	3,079
Less: Accumulated depreciation	(2,007)	(936)
	<u>1,854</u>	<u>2,143</u>
Computer equipment - right-of-use	468	472
Less: Accumulated depreciation	(312)	(156)
	<u>156</u>	<u>316</u>
	<u>20,082</u>	<u>11,057</u>

The consolidated entity leases land and buildings for its offices under agreements of between one to seven years with, in some cases, options to extend. The leases have various escalation clauses. The consolidated entity also leases motor vehicles and computer equipment under agreements of between one to two years. On renewal, the terms of the leases are negotiable.

The consolidated entity leases office equipment, under leases that are either short-term or low-value, so these have been expensed as incurred and not capitalised as right-of-use assets.

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Note 14. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$'000	Motor vehicles \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 July 2021	10,303	853	9	11,165
Additions	2,735	2,175	473	5,383
Depreciation expense	(4,440)	(885)	(166)	(5,491)
Balance at 30 June 2022	8,598	2,143	316	11,057
Additions	14,692	1,004	-	15,696
Transfers in/(out)	-	-	(4)	(4)
Depreciation expense	(5,218)	(1,293)	(156)	(6,667)
Balance at 30 June 2023	<u>18,072</u>	<u>1,854</u>	<u>156</u>	<u>20,082</u>

For other lease-related disclosures refer to the following:

- note 6 for details of interest on lease liabilities and other lease expenses;
- note 17 for lease liabilities at the end of the reporting period;
- note 21 for the maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 15. Intangibles

Non-current assets

	Consolidated	
	2023 \$'000	2022 \$'000
Goodwill - at cost	38,065	38,065
Less: Impairment	(2,000)	(2,000)
	<u>36,065</u>	<u>36,065</u>
Software development - at cost	10,768	10,513
Less: Accumulated amortisation	(9,980)	(8,410)
	<u>788</u>	<u>2,103</u>
	<u>36,853</u>	<u>38,168</u>

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Note 15. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Software development \$'000	Total \$'000
Balance at 1 July 2021	36,065	3,678	39,743
Additions	-	342	342
Amortisation expense	-	(1,917)	(1,917)
Balance at 30 June 2022	36,065	2,103	38,168
Additions	-	234	234
Amortisation expense	-	(1,549)	(1,549)
Balance at 30 June 2023	<u>36,065</u>	<u>788</u>	<u>36,853</u>

Impairment testing

Goodwill acquired through business combinations has been allocated to the following cash-generating units:

	Consolidated	
	2023 \$'000	2022 \$'000
Australian Business Recruitment Solution Group ('ABRS')	34,430	34,430
Others	1,635	1,635
	<u>36,065</u>	<u>36,065</u>

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on financial budgets approved by management. The cash flow projections covers a five-year period, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. The key assumptions were as follows:

Assumption	Description	2023 %	2022 %
Forecast revenue	Projected average revenue growth rate for initial five-year period, determined with reference to historical experience.	10.50	8.15
Terminal value growth rate	Terminal value growth rate determined with reference to the industries in which the consolidated entity operates. For ABRS this is the healthcare industry.	0.50	0.50
Pre-tax discount rate	Based on weighted average cost of capital which reflects the time value of money and risks specific to the CGU.	15.92	14.62

Based on the value-in-use calculations, the goodwill's recoverable amount exceeded the carrying amount and therefore no impairment was required.

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Note 15. Intangibles (continued)

Sensitivity analysis

As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

The sensitivities are as follows:

- (a) Average 5-year revenue growth rate would need to decrease by more than 8% and the discount rate would be required to increase by 4%, before goodwill would need to be impaired, with all other assumptions remaining constant.
- (b) Terminal value growth rate would need to decrease by more than 0.4% and the discount rate would be required to increase by 10.0%, before goodwill would need to be impaired, with all other assumptions remaining constant.
- (c) The discount rate would be required to increase by 11.0% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management consider that other reasonable changes in the key assumptions on which the recoverable amount of the cash generating units for which goodwill has been allocated would not cause the carrying amount to exceed its recoverable amount.

Note 16. Trade and other payables

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	1,295	1,924
Refundable carnet premiums	1,669	1,471
Accrued expenses	5,397	7,348
GST Payable	3,515	3,460
Other payables	5,894	10,947
	<u>17,770</u>	<u>25,150</u>

Refer to note 21 for further information on financial instruments.

Note 17. Lease liabilities

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	1,877	5,149
<i>Non-current liabilities</i>		
Lease liability	19,373	7,096
	<u>21,250</u>	<u>12,245</u>

Refer to note 21 for the maturity analysis of lease liabilities.

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Note 18. Contract liabilities

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Deferred revenue on workplace employment services	7,015	10,997
Membership fee and subscription fee received in advance	6,814	6,604
Subsidies and grants received in advance	45	282
	<u>13,874</u>	<u>17,883</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	17,883	18,645
Payments received in advance	34,216	29,396
Transfer to revenue - other balances	(38,225)	(30,158)
Closing balance	<u>13,874</u>	<u>17,883</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$13,874,000 as at 30 June 2023 (\$17,883,000 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
Within 6 months	10,035	11,245
6 to 12 months	3,815	6,447
12 to 18 months	24	191
	<u>13,874</u>	<u>17,883</u>

Note 19. Employee benefits

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Employee benefits	7,361	8,534
Redundancies	195	805
	<u>7,556</u>	<u>9,339</u>
<i>Non-current liabilities</i>		
Employee benefits	2,296	2,440
	<u>9,852</u>	<u>11,779</u>

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Note 19. Employee benefits (continued)

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2023	2022
	\$'000	\$'000
Employee benefits	3,423	3,812

Note 20. Provisions

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Lease make good	3	3
Long-term incentives	275	136
Short-term incentives	1,091	1,415
	<u>1,369</u>	<u>1,554</u>
<i>Non-current liabilities</i>		
Lease make good	684	366
Long term incentives	204	71
	<u>888</u>	<u>437</u>
	<u>2,257</u>	<u>1,991</u>

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Long-term and short-term incentives

The provision represents the estimated value of incentives recommended by management to be paid to employees.

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Note 20. Provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Lease make good \$'000	Long term incentives \$'000	Short-term incentives \$'000
Consolidated - 2023			
Carrying amount at the start of the year	369	207	1,415
Additional provisions recognised	318	408	815
Payments	-	(136)	(1,139)
	<u>687</u>	<u>479</u>	<u>1,091</u>
Carrying amount at the end of the year			

Note 21. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks, market risk (price and interest rate risk), credit risk and liquidity risk. The consolidated entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the long-term financial performance of the consolidated entity.

Risk management for the consolidated entity is carried out by a centralised finance and treasury function under policies approved by the Board of Directors. An Audit, Risk and Compliance Committee operates under a charter approved by the Board, monitoring the management of operational, financial and business risk in the consolidated entity. Risk management policies are reviewed by the Board on a regular basis.

The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Investment policy

The Investment Committee, a committee of the Board, is responsible for monitoring the performance of the appointed investment consultant, custodian and investment managers. The Investment Committee reviews the investment policy to assess the ability of the portfolio structure to successfully meet the objectives of the portfolio and recommends changes to the Board.

The consolidated entity maintains an investment portfolio for the purpose of providing an annual sustainable distribution to finance ongoing activities, including operational expenses and strategic investments. The investment strategy and asset allocation recognises the tax status of NSW Business Chamber Limited as an employer association which is exempt from Australian income tax and which derives no economic benefit from imputation credits attaching to dividends from investments in shares of Australian companies.

The investment objectives for the portfolio is to generate a total return which, when averaged over the total lifetime of the portfolio, will exceed the rate of inflation, as measured by the consumer price index ('CPI'), by at least 3.5% per annum. Maximisation of this long-term return is subject to preserving the real value of the portfolio in perpetuity, which is dependent on the draw-downs as mentioned below.

The portfolio is diversified by asset class and active management process to reduce the risk from failure of individual investments and managers and to reduce volatility of the portfolio valuation. Diversification is in accordance with asset allocation ranges as set forth in the Strategic Asset Allocation as approved by the Investment Committee.

Note 21. Financial instruments (continued)

Investment managers which make use of derivatives within the investment strategy used by the consolidated entity are required to state the purpose of such use and the impact on risk and to provide copies of Risk Management Statements and other relevant documentation approved by the directors of the investment manager regarding use of derivatives of that manager.

Ongoing professional advice is sought in respect of the structure of investment mandates, the performance and continued suitability of externally appointed fund managers, the adequacy of the returns achieved and the continuing suitability of the investment policy. The consolidated entity has appointed a custodian and investment consultant to enhance the security of the consolidated entity's investments, advise on an appropriate investment strategy and to report on the performance of the fund managers.

The Board has implemented a strategy of draw-down from the investment portfolio to finance ongoing activities of the consolidated entity whilst preserving the real value of the portfolio in perpetuity. Currently, the long-term rate of distribution is 3.5%. 70% of the distribution for the financial year is calculated as a composite of the average of previous five years' distributions (adjusted for inflation) and 30% relating to the portfolio value (valued as at 31 March of the previous financial year).

The Board may vary the draw-down for a particular year in exceptional circumstances at its discretion. Such abnormal additional draw-down causes future draw-downs to be adjusted to reflect the changed capital base.

The portfolio of assets at the reporting date is cash and cash equivalents, investments in cash managed trusts and financial assets at fair value through profit or loss, as detailed in the statement of financial position.

Market risk

Foreign currency risk

The consolidated entity does not have any material assets or liabilities denominated in foreign currency.

The investment portfolio held by the consolidated entity and disclosed at fair value through profit or loss does contain securities that have underlying exchange rate exposures, however as any exchange rate fluctuations impact the price of the securities, this risk category is considered to be price risk.

Price risk

The consolidated entity is exposed to equity securities price risk arising from investments held and classified on the statement of financial position at fair value through profit or loss. The consolidated entity is not exposed to commodity price risk. In accordance with the Investment Policy, to manage its price risk arising from investments in equity securities, the consolidated entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board.

Consolidated - 2023	% change	Average price increase		% change	Average price decrease	
		Effect on profit before tax \$'000	Effect on equity \$'000		Effect on profit before tax \$'000	Effect on equity \$'000
Shares and other investments	10%	<u>19,603</u>	<u>19,603</u>	10%	<u>(19,603)</u>	<u>(19,603)</u>

Consolidated - 2022	% change	Average price increase		% change	Average price decrease	
		Effect on profit before tax \$'000	Effect on equity \$'000		Effect on profit before tax \$'000	Effect on equity \$'000
Shares and other investments	10%	<u>18,308</u>	<u>18,308</u>	10%	<u>(18,308)</u>	<u>(18,308)</u>

Note 21. Financial instruments (continued)

Interest rate risk

The consolidated entity's interest bearing assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. In accordance with the Investment Policy, a sufficient percentage of the investment portfolio is held in interest bearing securities to enable the consolidated entity to meet its cash flow requirements. These interest bearing securities have underlying fair value interest rate risk exposures; however as any interest fluctuation impacts the price of the securities, this risk category is considered to be price risk. The Investment Committee constantly monitor the diversity of the portfolio mix.

Consolidated - 2023	Basis points change	Basis points increase		Basis points change	Basis points decrease	
		Effect on profit before tax \$'000	Effect on equity \$'000		Effect on profit before tax \$'000	Effect on equity \$'000
Cash	100	107	107	100	(107)	(107)
Investments in cash managed trusts	100	679	679	100	(679)	(679)
Illawarra First Fund	100	<u>9</u>	<u>9</u>	100	<u>(9)</u>	<u>(9)</u>
		<u>795</u>	<u>795</u>		<u>(795)</u>	<u>(795)</u>

Consolidated - 2022	Basis points change	Basis points increase		Basis points change	Basis points decrease	
		Effect on profit before tax \$'000	Effect on equity \$'000		Effect on profit before tax \$'000	Effect on equity \$'000
Cash	100	159	159	100	(159)	(159)
Investments in cash managed trusts	100	733	733	100	(733)	(733)
Illawarra First Fund	100	<u>11</u>	<u>11</u>	100	<u>(11)</u>	<u>(11)</u>
		<u>903</u>	<u>903</u>		<u>(903)</u>	<u>(903)</u>

Credit risk

Credit risk primarily arises from investments in debt securities. None of these assets are impaired nor past due but not impaired. The consolidated entity invests in debt securities which have an investment grade as rated by reputable independent rating agencies. At the time of the initial investment, all debt securities must have a minimum rating of 'A'. The Investment Committee approves the investment in any debt securities before any investment is undertaken and monitors the ongoing performance of the security.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Other credit risks arise from cash and cash equivalents, as well as credit exposures to members, non-members and government organisations, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted for initial investments. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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Note 21. Financial instruments (continued)

The credit risk of members and non-members are regularly monitored by line management. The provision of member services is withdrawn to members who are un-financial for more than 90 days. For non-member entitlements, goods and services are not generally rendered until full payment is received. For some receivables the consolidated entity may also obtain security in the form of guarantees which can be called upon if the counterparty is in default under the terms of the agreement.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, if available, or to historical information about counterparty default rates. The maximum exposure for investments is the carrying amount of the financial assets at the reporting date.

	Consolidated	
	2023	2022
	\$'000	\$'000
Credit quality of financial assets held at the reporting date, net of impairment:		
A rated cash and cash equivalents	10,703	15,935
Trade receivables counterparties without credit rating	29,869	32,207
Current unsecured other receivables without external credit rating	2,317	2,964
Contract assets	5,050	9,023
Financial assets at fair value through profit or loss	176,845	183,075
Investments in cash managed trusts	67,855	73,299
Illawarra First Fund	921	1,097
Employee insurance related deposits	185	571
	<u>293,745</u>	<u>318,171</u>

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets mentioned above.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of available cash equivalents. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Further, the Board has adopted a distribution policy to finance the short-term cash flow requirements of the consolidated entity.

Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets. The consolidated entity does not have any exposure to borrowings.

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Note 21. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,295	-	-	-	1,295
GST payable	-	3,515	-	-	-	3,515
Other payables	-	5,894	-	-	-	5,894
<i>Interest-bearing - variable</i>						
Lease liability	6.76%	6,559	4,989	12,372	5,448	29,368
Total non-derivatives		<u>17,263</u>	<u>4,989</u>	<u>12,372</u>	<u>5,448</u>	<u>40,072</u>

	Weighted average interest rate	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,924	-	-	-	1,924
GST payable	-	3,460	-	-	-	3,460
Other payables	-	10,947	-	-	-	10,947
<i>Interest-bearing - variable</i>						
Lease liability	6.00%	5,714	3,028	3,575	1,511	13,828
Total non-derivatives		<u>22,045</u>	<u>3,028</u>	<u>3,575</u>	<u>1,511</u>	<u>30,159</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 22. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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Note 22. Fair value measurement (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 2023				
<i>Assets</i>				
Investments in cash managed trusts	67,855	-	-	67,855
Illawarra First Fund	921	-	-	921
Financial assets at fair value through profit or loss	127,347	38,244	11,254	176,845
Total assets	196,123	38,244	11,254	245,621
Consolidated - 2022				
<i>Assets</i>				
Investments in cash managed trusts	73,299	-	-	73,299
Illawarra First Fund	1,097	-	-	1,097
Financial assets at fair value through profit or loss	129,690	40,675	12,710	183,075
Total assets	204,086	40,675	12,710	257,471

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and 3

The fair value of financial assets and liabilities that are not traded in an active market are recorded at their net realisable value, or redemption value per unit, as reported by the investment managers of such investments.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditors of the company:

	Consolidated	
	2023 \$'000	2022 \$'000
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit of the financial statements	194,500	195,000
<i>Audit services - PricewaterhouseCoopers (2021)</i>		
Audit of the financial statements	-	26,401
	194,500	221,401
<i>Other services - PricewaterhouseCoopers</i>		
Other accounting services	-	84,050
Taxation compliance services	-	58,762
Auditor Resignation Process	-	20,400
	-	163,212
	194,500	384,613

No other services have been performed by BDO Services Pty Ltd for the financial year ending 30 June 2023.

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Note 24. Contingent liabilities

Potential redundancies upon the non-renewal of the apprenticeship placement contracts

The consolidated entity has a contingent liability of \$1,839,000 (2022: \$1,740,000) as at 30 June 2023, in respect of potential statutory redundancies payable upon the non-renewal of the apprenticeship placement contracts held by the consolidated entity with the Commonwealth Government of Australia.

The existing contracts have terms until June 2024, at which time the consolidated entity intends to retender for contracts. The consolidated entity has been successful on a number of occasions with past tenders. It is not practical to estimate the potential effect of this contingency as at 30 June 2023 in the event that the contracts are not renewed or new contracts awarded, as it cannot be determined how many current employees will remain in employment at that time.

Note 25. Commitments

	Consolidated	
	2023 \$'000	2022 \$'000
Service contract committed at the reporting date (inclusive of GST) but not recognised as liabilities, payable:		
Within one year	3,901	5,241
One to five years	-	4,368
	3,901	9,609

The service contract is for the delivery of IT services over four years.

Note 26. Related party transactions

Parent entity

NSW Business Chamber Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Associates

Interests in associates are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 27.

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Note 26. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2023	2022
	\$	\$
Provision to related party of goods and services:		
Provision of office support services to Chambers Apprenticeship Support Australia Pty Ltd ¹	133,064	96,559
Provision of marketing services to Chambers Apprenticeship Support Australia Pty Ltd ¹	78,188	2,396
Provision of legal services to Chambers Apprenticeships Support Australia Pty Ltd ¹	31,271	4,239
Provision of labour hire to Chambers Apprenticeships Support Australia Pty Ltd ²	307,013	-
Provision of labour hire to Productivity Force Pty Ltd ³	13,273	91,752
Provision of office support services to Australian Chamber of Commerce and Industry ²	105,947	106,731
Provision of legal services to Australian Chamber of Commerce and Industry ²	74,894	50,356
Provision of COVID-19 Pandemic: Supplementing Industrial Relations Advice Services to Australian Chamber of Commerce and Industry ²	-	129,518
Provision of consulting, meeting and other services to Australian Business Industrial	156,336	153,599
Provision by related party of goods and services:		
Provision of consultancy services from Breen Global Pty Ltd ³	67,500	90,000
Provision of labour hire from Productivity Boot Camp Pty Ltd ³	34,780	41,438
Provision of membership fees from Australian Chamber of Commerce and Industry ²	684,100	661,000
Provision of trade documentation services from Australian Chamber of Commerce and Industry ²	184,885	154,074
Provision of premises from Australian Chamber of Commerce and Industry ²	26,275	22,727
Provision of membership fees from Australian Business Industrial	45,409	120,997
Provision of event sponsorship to Australian Chamber of Commerce and Industry ²	-	70,000

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	2022
	\$	\$
Current receivables:		
Trade receivables from Chambers Apprenticeship Support Australia Pty Ltd	244,800	-
Trade receivables from Productivity Force Pty Ltd ³	-	26,694
Trade receivables from Australian Chamber of Commerce and Industry ²	79,620	10,584
Trade receivables from Australian Business Industrial	159,729	159,500
Current payables:		
Payables to Breen Global Pty Ltd	24,750	-
Trade payables to Australian Business Industrial	-	122,650

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Note 26. Related party transactions (continued)

¹ Chambers Apprenticeship Support Australia Pty Ltd is an entity formed to administer the apprenticeship placements contracts with the Commonwealth Government of Australia on behalf of its shareholders which includes the NSW Business Chamber Limited and other state based business chambers. Income earned by the shareholders from this contract is co-ordinated by Chambers Apprenticeship Support Australia Pty Ltd. Shareholders contribute to cover its operating expenses, for services provided by the NSW Business Chamber Limited.

² Australian Chamber of Commerce and Industry ('ACCI') is a director related entity with D Hunter, N Watson and L Gorman being current directors of ACCI. During the financial year NSW Business Chamber Limited provided \$103,000 (2022: \$53,030) of executive management services to ACCI at no cost. All other transactions were at arm's length and on commercial terms and conditions.

³ Paul Breen is a director of Productivity Force Holdings Pty Ltd, Breen Global Pty Ltd, Productivity Boot Camp Pty Ltd and Productivity Force Pty Ltd. Breen Global Pty Ltd holds shares in Productivity Force Holdings Pty. All transactions with these entities were at arm's length and on commercial terms and conditions. Productivity Force Pty Ltd is a significant customer of Productivity Force Holdings Pty Ltd.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions. Outstanding balances are unsecured and are repayable in cash.

Note 27. Key management personnel disclosures

Directors

The following persons were directors of NSW Business Chamber Limited during the financial year:

L N Gorman	President - non-executive
B A Manwaring	Vice President - non-executive
N Watson	Non-executive director
E T Brown	Non-executive director
J R Field	Non-executive director
J Dawn	Non-executive director
G J McNamara	Non-executive director
N Mitchell	Non-executive director
I Ward-Ambler	Non-executive director
W McLean	Non-executive director (resigned on 24 March 2023)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

D J Hunter	Chief Executive Officer
B R Pearce	Chief Financial Officer
N J Ward	CEO and Director, Australian Business Lawyers & Advisors ('ABLA')
D Stewart	CEO, Recruitment Solutions
D J Harding	Executive Director - Policy and Public Affairs
Z Craig	Executive Director - People, Culture and Workplace
C A Burubu	General Counsel & Company Secretary
S Amin	Director, Office of the CEO
P Gilchrist	Executive Director - Australian Apprenticeships and Support Centre
	Apprenticeship Support Australia
R K Spencer	Chief Customer Experience Officer (resigned as KMP on 30 September 2022)

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Note 27. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	4,780,110	4,781,697
Post-employment benefits	414,575	319,205
Long-term benefits	140,193	141,951
Termination benefits	65,522	191,247
	<u>5,400,400</u>	<u>5,434,100</u>

The specific banding of directors and other members of key management personnel remuneration from the consolidated entity are as follows:

	Consolidated	
	2023	2022
\$'000		
under \$100	6	7
\$100 to \$200	4	4
\$200 to \$300	-	5
\$300 to \$400	5	-
\$400 to \$500	3	3
\$500 to \$600	1	-
\$600 to \$700	-	2
\$700 to \$800	1	-
	<u>20</u>	<u>21</u>

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Australian Apprenticeship Alliance Pty Limited	Australia	100%	100%
Australian Business Limited Apprenticeship Centre Pty Limited	Australia	100%	100%
Australian Business Foundation Limited ¹	Australia	-	-
Australian Business Lawyers & Advisors Pty Limited	Australia	100%	100%
Australian Business Pty Limited	Australia	100%	100%
Australian Business Training Solutions Group Pty Limited	Australia	100%	100%
Australian Chambernet Pty Limited	Australia	100%	100%
Australian Business Solutions Group Pty Ltd	Australia	100%	100%
First People HR Pty Limited	Australia	100%	100%
Hunter Business Chamber Limited ²	Australia	100%	100%
Illawarra Business Chamber Limited ¹	Australia	100%	100%

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Note 28. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Recruitment Solutions Group Australia Pty Limited	Australia	100%	100%
Sydney Chamber of Commerce ¹	Australia	100%	100%
Workplaceinfo Pty Limited	Australia	100%	100%
Amaroo Business Centre Pty Limited	Australia	100%	100%
Amaroo (Shanghai) Trading Co. Ltd	China	100%	100%
Workplace Assured Pty Limited ^{3 5}	Australia	51%	51%
CBD Sydney Chamber of Commerce Limited ¹	Australia	-	-
Alliance Health Services Group Pty Limited	Australia	100%	100%
Business Australia ¹	Australia	-	-
CQ Nurse Pty Ltd	Australia	100%	100%
Productivity Force Holdings Pty Ltd ^{4 5}	Australia	50%	50%
Heartbeat Nursing Agency Pty Ltd	Australia	100%	100%

¹ Australian Business Foundation Limited, CBD Sydney Chamber of Commerce Limited, Illawarra Business Chamber Limited, Sydney Chamber of Commerce and Business Australia are companies limited by guarantee in which the parent entity owns a special membership in each entity which entitles it to control them.

² The parent entity has agreements with Hunter Business Chamber Limited that enabled it control of this Chamber, without holding an equity interest.

³ 49% of the share capital in Workplace Assured Pty Limited is held by the Victorian Chamber of Commerce & Industry.

⁴ 50% of the share capital in Productivity Force Holdings Pty Limited. is held by interests associated with Productivity Boot Camp Pty Ltd, a construction training organisation.

⁵ The interest that non-controlling interests have in the group are not material and their summarised financial information hence not provided.

Note 29. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to the larger associates of the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Australian Chamber Alliance Pty Ltd	Australia	14%	14%
Chambers Apprenticeship Support Australia Pty Ltd	Australia	33%	33%
Campaign for Small Business Pty Ltd	Australia	17%	17%

Summarised financial information for the associates has not been provided as they are not material to the consolidated entity.

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Note 30. Reconciliation of deficit after income tax to net cash used in operating activities

	Consolidated	
	2023	2022
	\$'000	\$'000
Deficit after income tax expense for the year	(8,273)	(16,455)
Adjustments for:		
Depreciation and amortisation	10,473	8,856
Net loss on disposal of property, plant and equipment	78	-
Net fair value loss on investments	2,951	26,433
Distributions received	(18,707)	(22,508)
Investment costs	1,482	1,718
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,705	(1,317)
Increase/(decrease) in trade and other payables	(11,833)	2,734
Increase/(decrease) in provision for income tax	693	(1,221)
Increase in other provisions	71	619
Net cash used in operating activities	<u>(17,360)</u>	<u>(1,141)</u>

The company has a bank guarantee facility at 30 June 2023 of \$5,900,000 (2022: \$3,219,000) for the provision of rental guarantees on leasehold properties. The facility was drawn at 30 June 2023 to \$5,597,000 (2022: \$3,095,000).

Note 31. Non-cash investing and financing activities

	Consolidated	
	2023	2022
	\$'000	\$'000
Additions to the right-of-use assets	<u>15,696</u>	<u>5,383</u>

Note 32. Changes in liabilities arising from financing activities

Consolidated	Lease liabilities
	\$'000
Balance at 1 July 2021	12,605
Net cash used in financing activities	(5,743)
Acquisition of right-of-use assets by means of leases	<u>5,383</u>
Balance at 30 June 2022	12,245
Net cash used in financing activities	(6,494)
Acquisition of right-of-use assets by means of leases	<u>15,499</u>
Balance at 30 June 2023	<u>21,250</u>

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Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$'000	\$'000
Deficit after income tax	<u>(14,438)</u>	<u>(23,139)</u>
Total comprehensive income	<u>(14,438)</u>	<u>(23,139)</u>

Statement of financial position

	Parent	
	2023	2022
	\$'000	\$'000
Total current assets	<u>286,806</u>	<u>310,393</u>
Total assets	<u>320,873</u>	<u>330,429</u>
Total current liabilities	<u>44,198</u>	<u>39,658</u>
Total liabilities	<u>46,891</u>	<u>42,009</u>
Equity		
Retained surpluses	<u>273,982</u>	<u>288,420</u>
Total equity	<u>273,982</u>	<u>288,420</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022, except for as disclosed in note 24.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity;
- investments in associates are accounted for at cost, less any impairment, in the parent entity; and
- dividends received from subsidiaries and associates are recognised as other income by the parent entity and their receipt may be an indicator of an impairment of the investment.

Note 34. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



L N Gorman
Director

19 September 2023
Sydney



B A Manwaring
Director

INDEPENDENT AUDITOR'S REPORT

To the members of NSW Business Chamber Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NSW Business Chamber Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of NSW Business Chamber Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and 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.

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

Other information

The directors of the Group are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Group's annual report, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information 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 directors' for the Financial Report

The directors of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Group are responsible for overseeing the Group's financial reporting process.

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 this 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 (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Stephen May
Director

Sydney, 19 September 2023



Compassion Creamery created the world's first oat milk cheese and is winner of the 2022 NSW Business Award for Outstanding Start-Up. Image taken during the 2023 We Mean Business state election campaign.

BUSINESS NSW

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