



AUSTRALIAN BUSINESS INDUSTRIAL ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

WE THANK ALL FRONT LINE SUPPORT PEOPLE FOR THEIR WORK
AND EFFORTS DURING THE COVID PANDEMIC



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The financial report was authorised by the Councillors on 28 September 2021. The Councillors of Australian Business Industrial has the power to amend and re-issue the financial report.

President's Report 2021

Dear Members,

In my President's report this time last year, I opened with the following words:

It's fair to say that the last 12 months have been totally unprecedented, not just in industrial relations, but in all of our lives.

I was hoping that the tone for this report would be more upbeat than last year's. Sadly, especially with the recent resurgence of COVID-19 cases due to the Delta variant sweeping through the eastern states, I think my tone reflects the mood of the broader Australian business community; nervous and frustrated.

In the back end of 2020 and into the first half of 2021, life returned to almost normal for most parts of the country. Of course, it would be remiss of me not to mention our Victorian colleagues who had it the toughest of all the states in 2020. And NSW is now feeling Victoria's pain since lockdown was imposed in June this year with no end in sight right now.

Award Flexibility

On 9 December 2020 the Minister for Industrial Relations wrote to the President of the Fair Work Commission. The letter expressed the Government's view that:

'...in the extraordinary circumstances that have been caused by the COVID pandemic that it would be in Australia's economic best interest for the Fair Work Commission to use its powers under s.157(3) (a) of the Fair Work Act 2009 to undertake a process to ensure several priority modern awards in sectors hardest hit by the pandemic be amended. [Focusing on] key changes that could potentially support Australia's economic recovery.'

Since the writing of that letter, amendments have been made to a number of modern awards in the most vulnerable industries.

Significantly, after constructive discussions between both industry and the union movement, the Fair Work Commission made a decision to vary the *Restaurant Industry Award 2020* to broaden the classification structure and simplify the various allowances an employee may be entitled to into one single rate, but also with a variety of safeguards to ensure employees are not taken advantage of.

It is encouraging to see stakeholders in IR act cooperatively in a time of crisis. While all sides may not be exactly on the same page, it appears that dialogue is taking place in good faith and sensible positions are

being reached on very important and pressing matters to give business some confidence as the economy recovers.

Casual Employees

While the federal government's IR Working Groups did not yield a great deal of tangible outcomes, this process did result in a monumental amendment to the *Fair Work Act 2009* with the inclusion of a legal definition for a casual employee.

This definition finally gives employers some much welcome certainty about how they can engage casual employees, even on a regular basis, without the fear that they may one day in the future be subject to underpayment claims for entitlements such as annual leave, personal/carer's leave etc.

The High Court Decision in the *WorkPac v Rossato* case further confirmed the legal position that as long as a casual employee's contract of employment states that they are a casual employee and an additional 'casual loading' is clearly payable and specified, this should protect employers from future claims.

Respect @ Work Report

On 24 June 2021 the Federal Government introduced the *Sex Discrimination and Fair Work (Respect at Work) Amendment Bill* into Parliament, which forms part of the Government's response to the Sex Discrimination Commissioner's *Respect @ Work Report*.

The Bill includes provisions such as introducing a 'Stop Sexual Harassment Order' akin to the Fair Work Commission's current Anti - Bullying Jurisdiction, an amendment to include 'sexual harassment' as an explicit ground for serious misconduct and expanding the coverage of the Sex Discrimination act to include coverage for volunteers etc.

Make no mistake - this is an important issue. Employer's need to ensure they are doing all they reasonably can to prevent sexual harassment. This area of law is changing rapidly and employers must ensure they are up to date and take the appropriate actions.

Advocacy

With the assistance of Australian Business Lawyers & Advisors (ABLA), ABI has continued to strongly advocate on behalf of business on a range of industrial matters, with a focus on ensuring the voices of employers are heard at all levels of government and in the Fair Work Commission.

ABI, in cooperation with the Australian Chamber of Commerce and Industry, has been active in lobbying and advocating for employer interests throughout the COVID-19 pandemic to ensure employers have as much help as they need to get through this extremely difficult period.

This has been, and continues to be a difficult period for business, and it may not get easier for some time. Rest assured that ABI, as always, will continue to advocate tirelessly to advance and represent the interests of its members at this very critical time.

Thank you

I would like to thank Daniel Hunter, Sam Moreton, David Borger, Elizabeth Greenwood, and the Business NSW policy team for keeping ABI Council informed of the latest happenings in the halls of power in NSW and in Canberra.

I also want to thank Nigel Ward, Luis Izzo, Julian Arndt, Dean Tyler and all the team at ABLA for their support, expertise and advocacy on behalf of ABI and its members throughout the year.

I also greatly appreciate the assistance of Michelle Wirkus and Elaine Roberts for their assistance in ensuring ABI is compliant with its financial obligations and budget.

Nadee De Silva works hard to ensure the day to day operations of ABI run smoothly. We could not do it without her and I'm always grateful for her hard work.

Finally, thank you to the ABI council members for your continuing dedication and support. I also want to thank the recently retired members of Council, including David Long and Andrew Vlachos for their service on ABI Council. I would also like to welcome the recently elected members of ABI Council and I look forward to working with them.

To all members and your families, I wish you safety in these difficult times. Please take care!

Yours sincerely,



Kerry Wilson
President

28 September 2021

Australian Business Industrial Operating Report 30 June 2021

The Committee of Management of Australian Business Industrial ("the Organisation") presents its report for the financial year ended 30 June 2021.

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

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

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

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

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

The net surplus of the Organisation was \$6,735 for the year (2020 surplus: \$40,123).

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

No revenue has been derived by the Registered Organisation from undertaking recovery of wages activity during the reporting period ended 30 June 2021.

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

Significant changes in financial affairs

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

Right of members to resign

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

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

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

Number of members

The number of persons that were, at the end of the financial reporting year, recorded in the register of members is 2,660 (2020: 3,781).

Number of employees

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

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

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

Name	Position	Date
Kerry Wilson	President	Re appointed as a councillor 11 March 2021 Re appointed as president 1 July 2021
Bruce Mackenzie	Vice President	Re appointed as a councillor 11 March 2021 Resigned as Vice President 1 July 2021
Anna- Maria Wade	Vice President	Re appointed as a councillor 11 March 2021 Appointed as Vice President 1 July 2021
Keiran Brown	Vice President	Re appointed as a councillor 11 March 2021 Appointed as Vice President 1 July 2021
Robert Kirkham	Secretary /Treasurer	Re appointed as a councillor 11 March 2021 Re appointed as Secretary/Treasurer 1 July 2021
David Long	Executive Committee	Appointed 25 August 2016 Resigned 11 March 2021
Nathan Bright	Executive Committee	Re appointed as a councillor 11 March 2021 Appointed as Executive Committee member 1 July 2021
Skye Britton	Executive Committee	Re appointed as a councillor 11 March 2021 Appointed as Executive Committee member 1 July 2021
Paul Edwards	Executive Committee	Appointed as a councillor 11 March 2021 Appointed as Executive Committee member 1 July 2021
Gerry Carr	Councillor	Re appointed as a councillor 11 March 2021
Andrew Vlachos	Councillor	Appointed 20 July 2016 Resigned 11 March 2021
Ian Lilley	Councillor	Re appointed as a councillor 11 March 2021
Vince Surra	Councillor	Re appointed as a councillor 11 March 2021
Glenn Tyrrell	Councillor	Appointed as a councillor 11 March 2021
Claire Bailey	Councillor	Appointed as a councillor 11 March 2021

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

Matters subsequent to the end of the financial year

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

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



Kerry Wilson
Councillor

North Sydney
28 September 2021



Robert Kirkham
Councillor

Australian Business Industrial

Statement of Comprehensive Income for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue from Contracts with customers			
Membership subscription	3A	161,404	198,364
Capitation fees	3B	-	-
Levies	3C	-	-
Interest	3D	-	94
Total revenue		<u>161,404</u>	<u>198,458</u>
Other income			
Grants and/or donations	3E	-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>161,404</u>	<u>198,458</u>
Expenses			
Employee expenses	4A	-	-
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	(147,385)	(151,333)
Grants or donations	4E	-	-
Legal costs - other legal matters	4F	-	-
Audit fees	10	(7,284)	(7,002)
Penalties - via RO Act or RO Regulations	4G	-	-
Total expenses		<u>(154,669)</u>	<u>(158,335)</u>
Surplus (deficit) for the year		<u>6,735</u>	<u>40,123</u>
Other comprehensive income			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>6,735</u>	<u>40,123</u>

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

Australian Business Industrial
Statement of Financial Position as at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	117,318	78,353
Trade and other receivables	5B	146,343	190,402
Total current assets		<u>263,661</u>	<u>268,755</u>
Total assets		<u>263,661</u>	<u>268,755</u>
LIABILITIES			
Current liabilities			
Trade payables	6A	166,921	152,601
Other payables	6B	2,255	-
Contract liabilities	7	54,906	83,310
Total current liabilities		<u>224,082</u>	<u>235,911</u>
Total liabilities		<u>224,082</u>	<u>235,911</u>
Net assets		<u>39,579</u>	<u>32,844</u>
EQUITY			
Retained earnings (accumulated profit)	9	<u>39,579</u>	<u>32,844</u>
Total equity		<u>39,579</u>	<u>32,844</u>

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

Australian Business Industrial
Statement of Changes in Equity for the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Total equity at the beginning of the financial year		32,844	85,345
Impact of adopting AASB15		-	(92,624)
Total comprehensive income / (loss) for the year		6,735	40,123
Total equity at the end of the financial year	8	<u>39,579</u>	<u>32,844</u>

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

Australian Business Industrial
Statement of Cash Flows for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from members		177,059	225,123
Payments to suppliers		(138,095)	(233,001)
Receipts from other reporting units/controlled entities		-	-
		<u>38,964</u>	<u>(7,878)</u>
Interest received	3D	-	94
Net cash inflow / (outflow) from operating activities	11	<u>38,964</u>	<u>(7,784)</u>
Net cash inflow / (outflow) from investing activities		<u>-</u>	<u>-</u>
Net cash inflow / (outflow) from financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		38,964	(7,784)
Cash and cash equivalents at beginning of the financial year		<u>78,353</u>	<u>86,137</u>
Cash and cash equivalents at end of the financial year	5A	<u>117,317</u>	<u>78,353</u>

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

1 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Organisation is a not-for-profit entity.

Historical cost convention

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

Comparative amounts

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

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

Critical judgements in applying the organisation's accounting policies

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

Key sources of estimation uncertainty

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

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business*.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Organisation.

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

Future Australian Accounting Standards

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Organisation.

(d) Fair value measurement

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

(e) Foreign currency

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

(f) Revenue recognition

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

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

(g) Cash and cash equivalents

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

(h) Trade and other payables

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

(i) Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the organisation transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the organisation performs under the contract (i.e., transfers control of the related goods or services to the customer).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

(k) Income tax

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

2 Financial risk management

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

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

a. Credit risk

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

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

The Organisation is exposed to a single debtor, i.e. NSW Business Chamber Ltd, of which has been settled in July 2021.

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

Credit quality of financial assets held at balance date	2021	2020
	\$	\$
Cash at bank		
- Westpac (Rated AA3 by Moody's Investors Service, Inc)	117,318	78,353
	<u>117,318</u>	<u>78,353</u>
Trade receivables	146,300	189,000
<i>(Counterparties without external credit rating)</i>	<u>146,300</u>	<u>189,000</u>
Trade receivables		

Past due but not impaired trade receivables

	0-30 days	31-60 days	61-90 days	90+ days	Total
	\$	\$	\$	\$	\$
As at 30 June 2021	146,300	-	-	-	146,300
Trade receivables	<u>146,300</u>	-	-	-	<u>146,300</u>
As at 30 June 2020	189,000	-	-	-	189,000
Trade receivables	<u>189,000</u>	-	-	-	<u>189,000</u>

b. Liquidity risk

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

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

Financial Liabilities	On Demand	<1 year	1-2 years	2-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
As at 30 June 2021	169,176	-	-	-	-	169,176
Trade and other payables	169,176	-	-	-	-	169,176
As at 30 June 2020	152,601	-	-	-	-	152,601
Trade and other payables	152,601	-	-	-	-	152,601

	Note	2021 \$	2020 \$
3 Income			
3A Membership subscription	3F	161,404	198,364
3B Capitation fees received		-	-
3C Levies		-	-
3D Interest		-	94
		<u>161,404</u>	<u>198,458</u>
Other income			
3E Grants or donations		-	-
		<u>161,404</u>	<u>198,458</u>
3F Revenue recognised that was included in contract liabilities			
Membership subscription before deferral		133,000	189,050
Add revenues in contracted liabilities 1 July		83,310	92,624
Less contracted liabilities 30 June		(54,906)	(83,310)
Membership subscription		<u>161,404</u>	<u>198,364</u>
4 Expenses			
4A Employee expenses	18		
Employee expenses - holders of office		-	-
Employee expenses - other than office holders		-	-
Total employee expenses		<u>-</u>	<u>-</u>
4B Capitation fees		-	-
4C Affiliation fees		-	-
4D Administration expenses			
Consideration to employers for payroll deductions	17	-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		-	-
Conference and meeting expenses		618	1,799
Consultants		145,000	145,000
Travel expenses		-	87
Printing and stationery		-	707
Office expenses		117	740
Other		1,650	3,000
Total administration expenses		<u>147,385</u>	<u>151,333</u>

	Note	2021 \$	2020 \$
4E Grants or donations		-	-
Grants:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Donations:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Total grants and donations		<u>-</u>	<u>-</u>
4F Legal costs - other legal matters	18	-	-
4G Penalties - via RO Act or RO Regulations		-	-
5 Current assets			
5A Cash and cash equivalents		<u>117,318</u>	<u>78,353</u>
Cash at bank			
5B Trade and other receivables			
Trade receivables		146,300	189,000
Receivables from other reporting units		-	-
Less provision for doubtful debts		-	-
Net trade receivables		<u>146,300</u>	<u>189,000</u>
Other receivables			
Other receivables-NSWBC		43	43
GST receivable (net) from ATO		-	1,359
Total other receivables		<u>43</u>	<u>1,402</u>
Total trade and other receivables (net)		<u>146,343</u>	<u>190,402</u>
6 Current liabilities			
6A Trade payables			
Trade payables and accruals		166,921	152,601
Payables to other reporting units		-	-
Total trade payables		<u>166,921</u>	<u>152,601</u>
6B Other payables			
Consideration to employers for payroll deductions		-	-
Legal costs		-	-
GST payable (net)		2,255	-
Other payables		-	-
Total other payables		<u>2,255</u>	<u>-</u>
Total trade and other payables		<u>169,176</u>	<u>152,601</u>

	Note	2021 \$	2020 \$
7 Contract liabilities			
Deferred revenue membership		54,906	83,310
8 Provisions			
Employee provisions		-	-
9 Retained profit			
Movement in retained profits was as follows:			
Balance at 1 July		32,844	85,345
Impact of adopting AASB15 - restated		-	(92,624)
Net profit / (loss) for the year		6,735	40,123
Balance at 30 June		39,579	32,844
10 Remuneration of auditors			
PricewaterhouseCoopers Australian firm:			
Audit of financial statements		7,284	7,002
Other services		-	-
Total remuneration of auditors		7,284	7,002
11 Reconciliation of profit / (loss) to net cash inflow from operating activities			
Surplus for the year		6,735	40,123
Change in operating assets and liabilities:			
Decrease in trade and other debtors		44,059	36,073
Decrease in prepayment and other receivables		-	-
Increase / (decrease) in trade and other payables		16,575	(74,666)
Decrease in contract liabilities and unearned income		(28,404)	(9,314)
Increase / (decrease) in other provisions		-	-
Net cash from operating activities		38,965	(7,784)

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

	Note	2021 \$	2020 \$
12 Related party disclosures			
12A Transactions with NSW Business Chamber Limited			
Revenue received for membership		161,404	189,000
Expenses paid for consulting, meeting, printing, stationary & office costs, audit fees		153,020	155,244
Amounts owed by NSWBC at 30/6/21		(146,343)	(189,043)
Amounts owed to NSWBC at 30/6/21		159,637	145,599

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at year end are unsecured and interest free and settlement occurs in cash. For the year ended 30 June 2021, the Organisation has not recorded any impairment of receivables relating to amounts owed by related parties (2020: \$NIL).

12B Key management personnel other remuneration

President received remuneration from NSWBC for chairing the Workplace Relations Committee		9,783	9,783
Councillors		-	-

Terms and conditions of key personnel other remuneration

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

13 Administration of financial affairs by a third party

NSW Business Chamber collects the following revenue and pays the following expenses on behalf of the Organisation. Each entity raises invoices to recover these transactions from each other.

Revenue

Membership subscription		161,404	189,000
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Expenses

Conference and meeting expenses		618	1,799
Consultants		145,000	145,000
Printing and stationery		-	707
Office expenses		118	736
Audit fees		7,284	7,002
Total expenses		153,020	155,244

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

14 Organisation's details

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

15 On-going support

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

16 Acquisition of assets and or liabilities

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

17 Recovery of wages

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

18 Legal costs

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

19 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

20 Events after the reporting period

There were no events that occurred after 30 June 2021, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Organisation.

21 Payment to a former related party

The Organisation did not make a payment to a former related party during the year.

22 Fund or account for compulsory levies, voluntary contributions

The Organisation did not have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch during the year.

23 Transfer to or withdraw from a fund, asset or controlled entity

The Organisation did not transfer to or withdraw from a fund (other than the general fund), asset or controlled entity during the year.

24 Moneys from a fund or account been invested in assets

The Organisation did not have moneys from a fund or account been invested in assets during the year.

25 Financial support given to ensure another reporting unit

The Organisation did not provide financial support to another reporting unit during the year.

26 Cash inflow or outflow from another reporting unit

The Organisation did not provide or receive cash from another reporting unit during the year.

27 Payments to a former related party

The Organisation did not make any payments to a former related party during the year.

Committee of Management Statement for the period ended 30 June 2021

On 28 September 2021 the members of the committee of management of Australian Business Industrial ("the Organisation") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2021.

The committee of management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (*Registered Organisations*) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Organisation for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the Organisation; and
 - (ii) the financial affairs of the Organisation have been managed in accordance with the rules of the Organisation; and
 - (iii) the financial records of the Organisation have been kept and maintained in accordance with the RO Act; and
 - (iv) where information has been sought in any request by a member of the Organisation or Commissioner duly made under section 272 of the RO Act, this has been provided to the member or Commissioner; and
 - (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Kerry Wilson
Councillor

North Sydney
28 September 2021



Robert Kirkham
Councillor

Expenditure report required under subsection 255(2a) of the RO Act for the period ended 30 June 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2021.

Categories of expenditure	2021	2020
	\$	\$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	147,385	151,333
Donations to political parties	-	-
Legal costs	-	-



Robert Kirkham
Councillor

North Sydney
28 September 2021



Independent auditor's report

To the members of Australian Business Industrial

Our opinion

In our opinion, in all material respects:

- the accompanying financial report presents fairly, the financial position of Australian Business Industrial (the Registered Organisation) as at 30 June 2021 and its financial performance and its cash flows for the year then ended in accordance with
 - a) Australian Accounting Standards; and
 - b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- The Committee of Management's use of the going concern basis of accounting in the preparation of the Registered Organisation's financial statements is appropriate.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the Committee of Management Statement, and
- the Expenditure Report as required under Subsection 255(2A) of the RO Act.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared to meet the requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Australian Business Industrial and its members and should not be used by parties other than Australian Business Industrial and its members. Our opinion is not modified in respect of this matter.

Other information

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021 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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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



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

Report on the Recovery of Wages Activity

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

Responsibilities

The committee of management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager.

Our responsibilities are to express an opinion on the recovery of wages activity financial report, based on the audit conducted in accordance with Australian Auditing Standards

A handwritten signature in black ink, appearing to read 'Manoj Santiago'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Manoj Santiago'.

Manoj Santiago
Partner
Registered Company Auditor * 30855
Member of CAANZ # 40740
Holder of Public Practice Certificate # 40740
Registered Auditor under the RO Act
* AA2020/19

Sydney
29 September 2021

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