



6 November 2015

Mr Colin Bosworth  
Secretary/Treasurer  
Australian Business Industrial  
Level 15, 140 Arthur Street  
NORTH SYDNEY NSW 2060

via email: [industrial@australianbusiness.com.au](mailto:industrial@australianbusiness.com.au)

Dear Mr Bosworth

**Australian Business Industrial Financial Report for the year ended 30 June 2015 - [FR2015/244]**

I acknowledge receipt of the financial report of the Australian Business Industrial. The documents were lodged with the Fair Work Commission (FWC) on 2 November 2015.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

**Reporting Requirements**

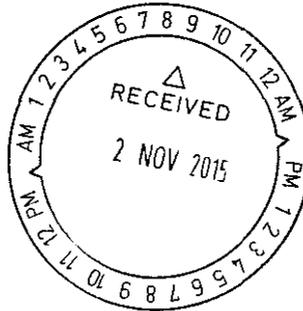
On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

Australian  
Business  
Industrial



29 October 2015

Robert Pfeiffer  
Regulatory Compliance Branch  
Fair Work Commission  
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Dear Sir,

**RE: Financial report for year ended 30 June 2015**

Please find attached the financial report for Australian Business Industrial for the year ended 30 June 2015, together with the Certificate by Prescribed Designated Officer.

Please do not hesitate to contact me if you have any questions or require further information.

Yours faithfully,

Colin Bosworth  
Secretary/Treasurer

ABN 59 687 108 073

business



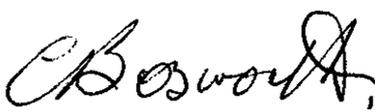
**Section 268 Fair Work (Registered Organisations) Act 2009**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

**Certificate for the period ended 30 June 2015**

I Colin Bosworth being the Secretary/Treasurer of Australian Business Industrial certify:

- that the documents lodged herewith are copies of the full report for Australian Business Industrial for the period ended 30 June 2015 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of Australian Business Industrial on 6 October 2015; and
- that the full report was presented to a general meeting of members of Australian Business Industrial on 28 October 2015 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

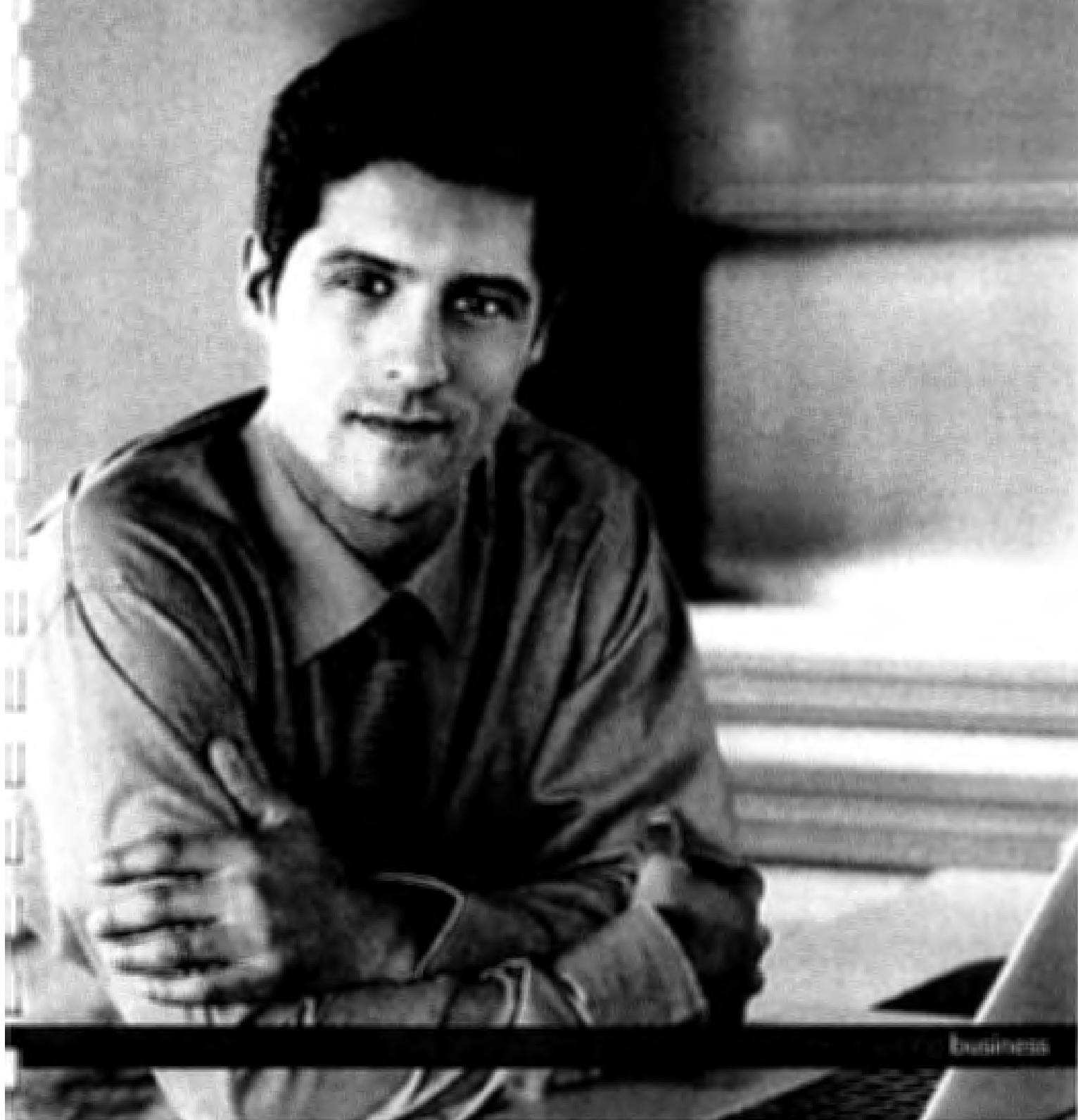
Date	28 October 2015
Signature of prescribed designated officer	
Name of prescribed designated officer	Colin Bosworth
Title of the prescribed designated officer	Secretary/Treasurer





# AUSTRALIAN BUSINESS INDUSTRIAL ANNUAL REPORT

For the year ended 30 June 2015



business

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The financial report was authorised by the Councillors on 16 September 2015.  
Australian Business Industrial has the power to amend and re-issue the financial report.

# President's Report 2015

*"We have entered into a world of perpetual award review and "award fatigue" with little evidence of an appropriate "modern award system" to show for it."*

I am honoured and pleased to have been elected President in February this year and thank my colleagues on Council for the confidence and support shown since then. The 2014 -2015 year has been busy for ABI.

The ABI rules require an extended election cycle. Council is elected every two years and then it must in turn proceed to elect Council Officers to fill the Executive positions from within Council. We were in election mode from September 2014 until February 2015.

The Council has been considering rule changes to provide 4 yearly elections. Changes proposed and discussed have been designed to both smooth the election process and extend the election cycle to a 4 year term from 2016.

Looking outwards, the year has been dominated by three major themes; the 4 yearly review of modern awards, the Productivity Commission's review of the workplace relations framework and ABI's focus on working more supportively with the Australian Chamber of Commerce and Industry (ACCI) so as to maximize the employer voice at the national level. Part of ACCI's workplace relations team is co- located in Sydney with ABI and actively attends our council meetings. The relationship is strong.

## Four yearly review of modern awards

This is a consistent item on ABI agenda and will likely to continue next year.

The review encapsulates a number of "common issues" proceedings in the FWC with multi-award effect and also individual award matters.

The Commission is responding to what parties in the system with an interest in awards are putting up to it. None the less, the amount of time that has been spent on reviewing modern awards does raise questions about the Fair Work Act and the award system, particularly as it relates to small business.

We have entered into a world of perpetual award review and "award fatigue" with little evidence of an appropriate "modern award system" to show for it. Modern awards are drifting further from the realities of running a business, particularly a small business.

Under the common issues process which is meant to deal with applications affecting most awards, we now also see individual unions and the ACTU making applications for claims to retain district allowances and accident pay conditions. These are being opposed by ABI and the ACCI. Accident pay blunts the return to work signals in workers' compensation schemes such as those in the recently amended NSW legislation. District allowances run counter to the idea that awards should provide nationally consistent regulation and entitlements.

Other claims relating to Annual Leave, Domestic Violence, and Family Friendly Provisions continue to have ABI working closely with ACCI and ABLA to devote resources to protecting employer interest.

The "award stage" of the review process for individual awards has seen ABI lodge two significant claims. One is for reduction in penalty rates in the General Retail Industry Award to change the Award's Sunday penalty rates from 100% to 50%. Additionally the claim includes a reduction in public holiday penalties from 250% for permanents to 200% and for casuals from 275% to 125%.

*“We need to support small business in getting a change to the “WR system”. It is a process that is long term, incremental and no doubt frustrating, particularly if reform is not forthcoming.”*

ABI has made a similar public holiday penalty claim in the Restaurant Industry Award. The claims have been supported by commissioned research undertaken by the Institute for Choice (University of South Australia) and by Professor Lewis of ANU. Trying to make awards more appropriate is neither easy nor cheap.

### Productivity Commission Review of the workplace relations framework.

ABI worked closely with ACCI on a submission to the Productivity Commission’s Review (PCR) and ACCI lodged a comprehensive submission in February.

The PCR’s draft report came down in August, outside this report period, but it has been the focus of much recent activity. Our national practice of closely regulating terms and conditions of employment through awards is unique and one of the key proposals in the ACCI submission was to abandon the award system. The submission proposed a transitional process from award reliance to reliance on statutory minima and employment contracts.

This proposal was prompted by the burden on small businesses required to navigate the complex double layered safety net of National Employment Standards and awards.

The ACCI submission indicated that in a study commissioned by the FWC to gather insights from small business the following findings emerged:

- The layout of modern awards produced negative sentiment and was considered daunting.
- The Commission’s awards were seen as difficult to use but in line with their low expectations of a

government regulatory/policy document is complex and challenging.

- Awards were considered to be convoluted, complex, ambiguous, of questionable relevance and written for the benefit of bureaucrats and lawyers.
- There is little confidence in modern awards – leading to active avoidance.

We need to support small business in getting a change to the “WR system”. It is a process that is long term, incremental and no doubt frustrating, particularly if reform is not forthcoming.

The Fair Work Act requires the Commission to review award wages each year. The wage review is primarily governed by the minimum wage objective which requires the Commission to consider economic factors but also a range of imposing social and welfare factors. ABI works closely with the NSWBC Policy and Advocacy in developing a submission. We also work closely with ACCI in seeking to maintain consistency with employers. This is a difficult balance but understood to be exceptionally important in presenting a stronger position for employers.

Superannuation is another area of close cooperation between ACCI and ABI. We are indeed fortunate that Dick Grozier is a recognized authority on superannuation. Among other things, superannuation reform which will support and facilitate compliance is still a work in progress. Under the current legislation employers who miss a guarantee contribution deadline, even for reasons beyond their control, face high penalties. Some changes to this are being made and will be effective from 1 July 2016.

*"Roger has been a councillor since ABI became a separate organisation from what is now the NSW Business Chamber in 1995 and he was a member of the predecessor to ABI's council (the Industrial Relations Committee of the Chamber of Manufactures of New South Wales) from 1991."*

## Personal Interests

ABI rules require disclosure of councillors' remuneration associated with' or as a consequence of, their holding that office and disclosure of any material personal interest which could impact decision making. ABI councillors are not paid for that role.

However, in the period from 17 February 2015, when I was appointed, until 30 June, I was paid \$2,797.73 for chairing the NSW Business Chamber's workplace policy committee.

Roger Hood who was President until the elections in September was paid \$3,935.45 for the period 1 July 2014 until his September 2014 resignation for chairing the NSW Business Chamber's workplace policy committee, a role he held simultaneously with his presidency of ABI.

Roger's retirement marks a real passing of the baton. Roger has been a councillor since ABI became a separate organisation from what is now the NSW Business Chamber in 1995 and he was a member of the predecessor to ABI's council (the Industrial Relations Committee of the Chamber of Manufactures of New South Wales) from 1991.

Finally I wish to thank Dick Grozier, Nadee DeSilva, Alana Matheson, Colin Bosworth for their assistance and guidance during these last few months.



Kerry Wilson  
President

# Australian Business Industrial Operating Report 30 June 2015

The Committee of Management of Australian Business Industrial ("the Organisation") presents its report for the financial year ended 30 June 2015.

### 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 loss of the Organisation was \$4,528 for the year (2014 loss \$29,574).

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, and in the Road Safety Remuneration Tribunal. ABI lodged significant claims affecting small business and retail/restaurants public holiday penalties. The Organisation also made a number of representations to the Minister and Department.

There was expenditure on corporate governance for new councillors to attend training in June 2015 on Governance and Financial Accountability.

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 and employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

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

### Number of members

The number of persons that were, at the end of the financial reporting year, recorded in the register of members is 4,253 (2014 3,934).

### Number of employees

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

## Names of Committee of Management members and period 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:

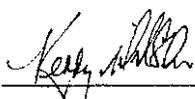
<b>Name</b>	<b>Position</b>	
Kerry Wilson	President	Councillor re-elected 3/9/2014 President elected 24/02/2015)
Bruce Mackenzie	Vice President	Councillor elected 9/12/2014 Vice president elected 24/2/2015
Jane Cleary	Vice President	Councillor elected 3/9/2014 Vice President elected 24/2/2015
Colin Bosworth	Secretary /Treasurer	Councillor re-elected 3/9/2014 Secretary/Treasurer re-elected 24/02/2015
Tom Bowers	Councillor	Councillor re-elected 3/9/2014 Vice President till 24 February 2015
Brian Eichhorn	Councillor	Re-elected 3/9/2014
David Long	Councillor	Re-elected 3/9/2014
Alvan Freeman	Councillor	Re-elected 3/9/2014
Jessica Liley	Councillor	Re-elected 3/9/2014
Jennifer Schembri	Councillor	Re-elected 3/9/2014
Brad Gething	Councillor	Re-elected 3/9/2014
Gerry Carr	Councillor	Re-elected 3/9/2014
Robert Kirkham	Councillor	Elected 3/09/2014
Anni Brownjohn	Councillor	Elected 9/12/2014
John Prineas	Councillor	Appointed 24 June 2015
Roger Hood	President	President till 3/9/2014 Resigned 3/9/2014
Lynette Ainsworth	Vice president	Councillor re-elected 3/9/2014 Vice President till 24/2/2014 Councillor resigned 8/6/2015
Michael Smith	Councillor	Councillor resigned 3/9/2014
Bill Fisher	Councillor	Councillor resigned 3/9/2014

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



Colin Bosworth  
Councillor

North Sydney  
16 September 2015

Australian Business Industrial  
Statement of Comprehensive Income for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Revenue</b>			
Membership subscription	3A	212,650	196,700
Capitation fees received	3B	-	-
Levies	3C	-	-
Interest	3D	1,778	2,024
<b>Total revenue</b>		<u>214,428</u>	<u>198,724</u>
<b>Other Income</b>			
Grants and/or donations	3E	-	-
<b>Total other income</b>		<u>-</u>	<u>-</u>
<b>Total income</b>		<u>214,428</u>	<u>198,724</u>
<b>Expenses</b>			
Employee Expenses	4A	-	-
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	(212,956)	(223,298)
Grants or donations	4E	-	-
Legal Costs	4F	-	-
Audit Fees	10	(6,000)	(5,000)
Penalties	4G	-	-
Total expenditure		<u>(218,956)</u>	<u>(228,298)</u>
Profit (loss) before income tax		(4,528)	(29,574)
Income tax expense		-	-
Profit (loss) after income tax		<u>(4,528)</u>	<u>(29,574)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income (loss) for the year		<u>(4,528)</u>	<u>(29,574)</u>
Total comprehensive income (loss) for the year attributable to:			
Members of Australian Business Industrial		<u>(4,528)</u>	<u>(29,574)</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 2015

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	90,794	115,675
Trade and other receivables	6	234,320	220,299
Total current assets		<u>325,114</u>	<u>335,974</u>
<b>Total assets</b>		<u>325,114</u>	<u>335,974</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade payables	7	220,000	228,032
Other payables	7	6,700	5,000
Total current liabilities		<u>226,700</u>	<u>233,032</u>
<b>Total liabilities</b>		<u>226,700</u>	<u>233,032</u>
<b>Net assets</b>		<u>98,414</u>	<u>102,942</u>
<b>EQUITY</b>			
Retained profits	9	98,414	102,942
<b>Total equity</b>		<u>98,414</u>	<u>102,942</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 2015

	Notes	2015 \$	2014 \$
Total equity at the beginning of the financial year		102,942	132,516
Total comprehensive income / (loss) for the year		(4,528)	(29,574)
Total equity at the end of the financial year	9	<u>98,414</u>	<u>102,942</u>

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

Australian Business Industrial  
Cash Flow Statement for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers (including GST)		217,195	279,070
Receipts from other reporting units/controlled entities		-	-
Cash paid to suppliers and employees (including GST)		(243,854)	(309,694)
Cash paid to employees		-	-
Payments from other reporting units/controlled entities		-	-
Interest received		1,778	2,024
<b>Net cash used by operating activities</b>	11	<u>(24,881)</u>	<u>(28,600)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(24,881)</u>	<u>(28,600)</u>
Cash and cash equivalents at the beginning of period		115,675	144,275
<b>Cash and cash equivalents at the end of the period</b>	5	<u>90,794</u>	<u>115,675</u>

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

Australian Business Industrial  
 Recovery of Wages Activity for the year ended 30 June 2015

Notes	2015	2014
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>		
Receipts	-	-
Payments	-	-
<b>Cash assets in respect of recovered money at end of year</b>	<u>-</u>	<u>-</u>

## 1 Summary of significant accounting policies

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

### (a) Basis of preparation

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

### Historical cost convention

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention, except for investments, which are at fair value through profit or loss. 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 company's accounting policies

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

#### Key sources of estimation uncertainty

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

### (c) New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

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

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

#### Future Australian Accounting Standards Requirements

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the 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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the entity's activities as described below. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Membership subscriptions comprise annual subscriptions for the year and are recognised as revenue on a monthly basis over the period of the membership

(ii) Sponsorship income is brought to account when control is obtained over sponsorship funds

(iii) Interest income is recognised when earned.

#### (g) Cash and cash equivalents

For the purpose of presentation in the cash flow statement, 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 receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is used when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### (i) 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.

#### (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 balance sheet.

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 50.1 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 ageing analysis for credit risk.

### a. Market Risk

#### Interest rate risk

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

### b. Credit Risk

Credit risk arises from the risk that counterparties will not meet their contractual obligations with the Organisation. The Organisation's exposure to credit risk 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 balance sheet and notes to the financial statements.

The Organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Organisation.

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

	2015	2014
	\$	\$
<b>Trade receivables</b>		
(Counterparties without external credit rating)	233,860	217,140
Trade receivables	<u>233,860</u>	<u>217,140</u>
<b>Cash at bank</b>		
- Westpac (Rated AA2 by Moody's Investors Service, Inc)	90,794	115,675
	<u>90,794</u>	<u>115,675</u>

### (c) 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 of the Organisation's financial liabilities.

Financial Liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows	Carrying amount
	\$	\$	\$	\$	\$	\$	\$
<b>As at 30 June 2015</b>							
Trade and other payables	226,000	-	-	-	-	226,000	226,000
	<u>226,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,000</u>	<u>226,000</u>
<b>As at 30 June 2014</b>							
Trade and other payables	233,032	-	-	-	-	233,032	233,032
	<u>233,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,032</u>	<u>233,032</u>

Australian Business Industrial  
Notes to the Financial Statements for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>3 Income</b>			
3A Membership subscription	13	212,650	196,700
3B Capitation fees received	20	-	-
3C Levies	19	-	-
3D Interest		1,778	2,024
		<u>214,428</u>	<u>198,724</u>
<b>Other Income</b>			
3E Grants and/or donations	17	-	-
		<u>214,428</u>	<u>198,724</u>
<b>4 Expenses</b>			
<b>4A Employee Expenses</b>	18		
Employee Expenses - holders of office		-	-
Employee Expenses - other than office holders		-	-
<b>Total employee expenses</b>		<u>-</u>	<u>-</u>
<b>4B Capitation fees</b>	20	-	-
<b>4C Affiliation fees</b>	21	-	-
<b>4D Administration expenses</b>			
Consideration to employers for payroll deductions	18	-	-
Compulsory levies	19	-	-
Fees/allowances - meeting and conferences		-	-
Conference and meeting expenses		1,606	1,589
Consultants		200,000	200,000
Travel Expenses		4,354	8,368
Printing and stationery		1,152	1,840
Office expenses		1,794	2,116
Other		4,050	9,385
<b>Total administration expenses</b>	13	<u>212,956</u>	<u>223,298</u>
<b>4E Grants or donations</b>	17	-	-
<b>4F Legal Costs - other legal matters</b>	22	-	-
<b>4G Penalties - via RO Act or RO Regulations</b>	23	-	-

	2015	2014
	\$	\$
<b>5 Current assets - cash and cash equivalents</b>		
Cash at bank	90,794	115,675
	<hr/>	<hr/>
<b>6 Current assets - trade and other receivables</b>		
Trade receivables	233,860	217,140
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
<b>Net trade receivables</b>	<hr/> 233,860	<hr/> 217,140
<b>Other receivables</b>		
GST receivable (net) from ATO	460	3,159
Total other receivables	<hr/> 460	<hr/> 3,159
Total trade and other receivables (net)	<hr/> 234,320	<hr/> 220,299
	<hr/>	<hr/>
<b>7 Current liabilities - trade and other payables</b>		
Trade payables	220,000	228,032
Payables to other reporting units	-	-
GST payable (net)	-	-
Workcover funds held on behalf of NSW Business Chamber Limited	-	-
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Other payables	6,700	5,000
	<hr/> 226,700	<hr/> 233,032
	<hr/>	<hr/>
<b>8 Provisions</b>		
Employee provisions	<hr/> -	<hr/> -
	<hr/>	<hr/>
<b>9 Retained profit</b>		
Movement in retained profits was as follows:		
Balance at 1 July	102,942	132,516
Net profit / (loss) for the year	(4,528)	(29,574)
Balance at 30 June	<hr/> 98,414	<hr/> 102,942

2015      2014  
\$            \$

## 10 Remuneration of auditors

PricewaterhouseCoopers Australian firm:

Audit of financial statements	6,000	5,000
Other services	-	-
<b>Total remuneration of auditors</b>	<u>6,000</u>	<u>5,000</u>

## 11 Reconciliation of profit / (loss) after income tax to net cash inflow from operating activities

Operating profit / (loss)	(4,528)	(29,574)
Increase/ (decrease) in trade creditors	(8,032)	8,032
Increase / (decrease) in other payables	1,700	(65,939)
(Increase)/ decrease in trade debtors	(16,720)	62,040
(Increase)/ decrease in other receivables	2,699	(3,159)
Net cash from operating activities	<u>(24,881)</u>	<u>(28,600)</u>

## 12 Related party transactions

### Transactions with NSW Business Chamber Limited

Revenue received for membership	212,650	196,700
Expenses paid for consulting, meeting, printing, stationary & office costs	210,552	210,545
Amounts owed by NSWBC at 30/6/15	233,860	217,140
Amounts owed to NSWBC at 30/6/15	220,000	225,863

### 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 yearend are unsecured and interest free and settlement occurs in cash. For the year ended 30 June 2015, the Organisation has not recorded any impairment of receivables relating to amounts owed by related parties (2014 \$NIL). All related party receivables and payables have been settled at the time of preparing these financial statements.

	2015	2014
	\$	\$
<b>13 Administration of financial affairs by a third party</b>		
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.		
<b>Revenue</b>		
Membership Subscription	212,650	196,700
<b>Expenses</b>		
Conference and meeting expenses	1,606	1,589
Consultants	200,000	200,000
Printing and stationery	1,152	1,840
Office expenses	1,794	2,116
Audit Fees	6,000	5,000
<b>Total expenses</b>	<u>210,552</u>	<u>210,545</u>

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

## 14 Organisation's Details

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

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

## 18 Recovery of Wages

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

## 19 Compulsory Levies

The Organisation does not raise compulsory levies and as such did not derive any income.

No compulsory levies were imposed on the Organisation during the year.

## 20 Capitation Fees

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

## 21 Affiliation Fees

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

## 22 Legal Costs

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

## 23 Penalties

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

## 24 Section 272 *Fair Work (Registered Organisations) Act 2009*

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

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

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

## 25 Events after the reporting period

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Organisation.

## Committee of Management Statement for the period ended 30 June 2015

On 16 September 2015 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 period ended 30 June 2015.

The committee of management declares that in its opinion:

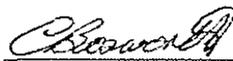
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial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

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



Kerry Wilson  
Councillor

North Sydney  
16 September 2015



Colin Bosworth  
Councillor



## **Independent auditor's report to the members of Australian Business Industrial**

### ***Report on the financial report***

We have audited the accompanying financial report of Australian Business Industrial (the organisation), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, cash flow statement, and recovery of wages activity for the year ended on that date, a summary of significant accounting policies, other explanatory notes, councillors' declaration and the committee of management statement.

### ***Councillors of the organisation responsibility for the financial report***

The councillors of the organisation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

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

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

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

### ***Auditor's opinion***

In our opinion, the financial report of Australian Business Industrial:

- (a) Presents fairly in all material respects, the organisation's financial position as at 30 June 2015 and of its performance for the year ended on that date;
- (b) Management's use of the going concern basis of accounting in the preparation of the organisation's financial statements is appropriate; and,

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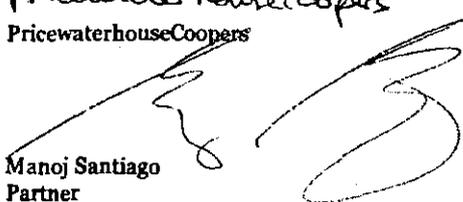


(c) Complies with Australian Accounting Standards including the Australian Accounting Interpretations and requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

***Matters relating to the electronic presentation of the audited financial report***

This auditor's report relates to the financial report of Australian Business Industrial (the disclosing entity) for the year ended 30 June 2015 included on Australian Business Industrial's web site. The organisation's councillors are responsible for the integrity of Australian Business Industrial's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers  
PricewaterhouseCoopers

  
Manoj Santiago  
Partner  
Registered Company Auditor #30855  
Member of the ICAA #40740  
Holder of Public Practice Certificate #40740

Sydney  
16 September 2015

**Australian Business Industrial**

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