



5 December 2024

Russell Rolls  
National Secretary/Treasurer  
The Australian Industry Group  
Sent via email: [compliance@aigroup.com.au](mailto:compliance@aigroup.com.au)  
CC: [abond@kpmg.com.au](mailto:abond@kpmg.com.au)

Dear Russell Rolls

**The Australian Industry Group  
Financial Report for the year ended 30 June 2024 – (FR2024/145)**

I acknowledge receipt of the financial report for the year ended 30 June 2024 for the Australian Industry Group. The documents were lodged with the Fair Work Commission (the Commission) on 29 November 2024.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 2025 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these concerns have been addressed prior to filing next year's report.

**Reference to the Commissioner of the Registered Organisations Commission**

The Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

I note that note 20 refers to the Commissioner instead of the General Manager of the Fair Work Commission.

Please ensure that in future year, this note is updated accordingly.

**Materiality**

The 'Other expenses' of \$45,330 is considered to be a significant amount to not be further broken down for reporting. It will be beneficial to users of the statements if alternative groupings can be determined to reduce 'Other' expenses to a more meaningful amount.

In most cases the principal objective of a not-for-profit entity is not the generation of profit but the achievement of objectives. It may, therefore, not be appropriate to assess materiality for the statement of

comprehensive income items by reference to profit or loss alone but make assessments of the items in an absolute and a relative context.

Materiality is a matter of professional judgment however I would encourage the reporting unit to review this expenditure item, taking into consideration the information needs of the users.

### **Subsection 255(2A) report**

As per reporting guideline 21, subsection 255(2A) of the RO Act requires a reporting unit to prepare a separate report that shows the total expenditure incurred by the reporting unit during the financial year in relation to each of the following:

- (a) Remuneration, and other employment-related costs and expenses, in respect of employees;
- (b) Advertising;
- (c) Operating costs;
- (d) Donation to political parties;
- (e) Legal costs.

I note that the subsection 255(2A) report included in the lodged financial report does not disclose all the expenditure as required by reporting guidelines. Please ensure in future year that the subsection 255(2A) report includes all the above information.

### **Reporting Requirements**

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

**GENERAL MANAGER  
FAIR WORK COMMISSION**

**In the matter of:  
The Australian Industry Group  
and  
Fair Work (Registered Organisations) Act 2009**

**Designated Officer's Certificate  
For the financial year ended 30 June 2024  
Section 268**

I, RUSSELL ROLLS, National Secretary-Treasurer of The Australian Industry Group (the Organisation) certify in accordance with section 268 of the *Fair Work (Registered Organisations) Act 2009* (the Act):

- (1) that the document lodged herewith is a copy of the full financial report of the Organisation comprising the auditor's report, the general-purpose financial report to which the auditor's report relates and the operating report in relation to the financial year ending 30 June 2024; and
- (2) that the full financial report was provided to Members of the Organisation on 31 October 2024; and
- (3) that the full financial report was presented to the Annual General Meeting of Members of the Organisation (as the sole reporting unit) on 28 November 2024 in accordance with section 266 of the Act

  
28 November 2024

.....  
Russell Rolls  
National Secretary-Treasurer

Lodged by: The Australian Industry Group  
51 Walker Street  
North Sydney NSW 2060

Reference:   
Financial Controller  
[compliance@aigroup.com.au](mailto:compliance@aigroup.com.au)

**GENERAL MANAGER  
FAIR WORK COMMISSION**

**In the matter of:  
The Australian Industry Group  
and  
Fair Work (Registered Organisations) Act 2009**

**Designated Officer's Certificate  
For the financial year ended 30 June 2024  
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Russell Rolls  
National Secretary-Treasurer

Lodged by: The Australian Industry Group  
51 Walker Street  
North Sydney NSW 2060

Reference:   
Financial Controller  
[compliance@aigroup.com.au](mailto:compliance@aigroup.com.au)

# **The Australian Industry Group**

ABN 76 369 958 788

**Annual Financial Report**

For the year ended 30 June 2024

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The financial statements are the consolidated financial statements of The Australian Industry Group (the Reporting Unit) and its controlled entities (together the Consolidated Entity). A list of the major subsidiaries is included in note 13.

The financial statements are presented in Australian dollars which is The Australian Industry Group's functional and presentation currency.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar unless otherwise stated.

The Australian Industry Group is an organisation registered under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia. Its registered office and principal place of business is:

51 Walker Street  
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the operating report on pages 3-5, which is not part of the financial statements.

A report required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* is on page 41, which is not part of the financial statements.

The financial statements were authorised for issue by the committee of management on 5 September 2024. The committee of management has the power to amend and reissue the financial statements.

# Operating Report

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The Committee of Management (National Executive) present their operating report of The Australian Industry Group for the financial year ended 30 June 2024.

## 1. Committee of Management

On 1 January 2022, the following members of the Committee of Management were elected for the ensuing 3 years, and, subject to resignation or retirement, are entitled to remain as Officers on the Committee of Management until 31 December 2024.

The Committee of Management of the Organisation at any time during or since the end of the financial year are:

Chris Jenkins (National President)  
John Dixon (Deputy National President)  
Russell Rolls (National Secretary-Treasurer)  
Peter Harvey (National Officer)  
Mark Nykiel (National Officer)  
Stephen Pollard (National Officer)

## 2. Remuneration report

During the financial year, Mr. John Dixon, a member of the Committee of Management received relevant remuneration from the trustee of a superannuation entity relating to his appointment as an Ai Group employer nominated director of that entity. Other than the above, no other member of the Committee of Management of the reporting unit received directly or indirectly, any payment or any benefit in relation to their duties performed as an Officer of Ai Group.

## 3. Principal activities

During the year ended 30 June 2024, the principal continuing activities of the reporting unit as a registered employer organisation consisted of:

- a. representing its membership in manufacturing, construction, engineering, automotive, telecommunications, IT, transport, labour hire and other industries;
- b. providing assistance, advice and information to its membership in the areas of workplace relations and regulation; and
- c. receiving policy, administrative and financial services from Ai Group Limited for a fee according to its service level agreement.

## 4. Review of principal activities

Throughout the financial year the Organisation continued to represent its members and industries interests in respect to workplace relations and other matters. This included representational activities to Government and Opposition parties on key policy issues affecting our membership, regulatory submissions and appearances before the Fair Work Commission, and involvement in numerous industry or regulatory inquiries. The Australian Industry Group continued to deliver quality workplace relations and other services to its membership.

The Organisation remains an effective and financially strong representative body for industry.

There have been no significant changes to the principal activities of the Organisation in the financial year ended 30 June 2024, and no further changes are anticipated for 2025.

## 5. Results of operations

The Australian Industry Group and its subsidiaries reported a consolidated profit from ordinary activities amounted to \$24,184 (2023: \$26,748). The profit related to continuing operations amounted to \$31,579 (2023: \$24,645). The loss related to discontinued operations for the year ending 30 June 2024 amounts to \$7,395 (2023: profit of \$2,103).

## Operating Report (Continued)

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### 6. Significant changes in the state of affairs

Contracts have been entered into for the future sale and development of Ai Group's North Sydney Development Pty Ltd's property holdings in North Sydney. The sale and development of the property holdings is subject to the achievement of various conditions precedent. A total deposit of \$20.9 million has been paid by the prospective purchaser. There have been no other significant changes in the state of affairs of the consolidated entity during the year.

### 7. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee of Management, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

### 8. Likely developments and expected results of operations

The officers expect that the consolidated entity will continue to carry out its principal continuing activities as detailed above.

### 9. Number of recorded members

The number of persons recorded in the Membership Register of the Organisation as at 30 June 2024 for the purposes of section 254(2)(f) of the Act was 2,909 (2023: 3,087).

### 10. Number of employees

The number of persons who were direct employees in the parent entity (equivalent full time employee basis) as at 30 June 2024 was nil (2023: nil). Provision of services to the Ai Group are also provided by the Ai Group Limited Group through service agreements.

### 11. Rights of members to resign

In accordance with section 174 of the Act, a Member may resign from membership of the Organisation by written notice addressed and delivered to the Secretary-Treasurer.

### 12. Details of Trustee of Superannuation Entities

On 26 September 2019, Mr. John Dixon, an Officer of the Organisation, was appointed as a director of an Organisation that is a trustee of a superannuation entity as a representative of the Organisation.

Other than the above, no Officer or Member of the Organisation was:

- a) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- b) a director of an Organisation that is a trustee of a superannuation entity or an exempt public sector superannuation scheme

where a criterion for the Officer or Member being a trustee or director is that the Officer or Member is an officer or member of a registered organisation under the Act.



## Operating Report (Continued)

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### 13. Other relevant information of the reporting unit

There is no other information which the committee of management of the reporting unit considers relevant under section 254 of the Act.

This statement is signed by the National Secretary-Treasurer being the authorised Designated Officer under the Rules within the meaning of section 243 of the Act; and is dated the date on which the Designated Officer signs this statement.



\_\_\_\_\_  
Russell Rolls (National Secretary-Treasurer)  
Officer

Dated at \_\_\_\_\_ this 5th day of September 2024.

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

		Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	Note	\$	\$	\$	\$
<b>CONTINUING OPERATIONS</b>					
Revenue from continuing operations	4	226,939	227,231	226,939	241,712
Other expenses		(45,330)	(15,743)	(45,330)	(15,382)
Service charges		(150,030)	(186,843)	(150,030)	(186,843)
		<b>(195,360)</b>	<b>(202,586)</b>	<b>(195,360)</b>	<b>(202,225)</b>
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>31,579</b>	<b>24,645</b>	<b>31,579</b>	<b>39,487</b>
<b>DISCONTINUED OPERATIONS</b>					
(Loss)/profit from discontinued operations	5	(7,395)	2,103	(952,634)	(1,070,877)
Distribution of surplus from Ai Group Legal Unit Trust - discontinued		-	-	-	54,695
Distribution of surplus from North Sydney Property Unit Trust - discontinued		-	-	945,239	1,003,443
<b>TOTAL DISCONTINUED OPERATIONS</b>		<b>(7,395)</b>	<b>2,103</b>	<b>(7,395)</b>	<b>(12,739)</b>
<b>PROFIT FOR THE YEAR</b>		<b>24,184</b>	<b>26,748</b>	<b>24,184</b>	<b>26,748</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Profit is attributable to :</i>					
Members of the Australian Industry Group		24,184	26,748	24,184	26,748
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR IS</b>					
<b>ATTRIBUTABLE TO THE MEMBERS OF THE AUSTRALIAN</b>		<b>24,184</b>	<b>26,748</b>	<b>24,184</b>	<b>26,748</b>
<b>INDUSTRY GROUP</b>					

# Statement of Financial Position

As at 30 June 2024

		Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	Note	\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	333,272	636,797	186,159	486,238
Trade and other receivables	7	6,336,032	5,245,383	5,886,437	5,051,135
Inventories	8	-	53,860,871	-	2,012,190
Prepayments		58,954	20,842	727	-
Loans to related parties	15	-	-	49,612,337	48,993,035
Assets classified as held for sale	9	73,315,986	19,266,385	2,012,190	-
<b>TOTAL CURRENT ASSETS</b>		<b>80,044,244</b>	<b>79,030,278</b>	<b>57,697,850</b>	<b>56,542,598</b>
<b>NON-CURRENT ASSETS</b>					
Other financial assets	10	6	6	8	28
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6</b>	<b>6</b>	<b>8</b>	<b>28</b>
<b>TOTAL ASSETS</b>		<b>80,044,250</b>	<b>79,030,284</b>	<b>57,697,858</b>	<b>56,542,626</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	29,210,272	28,220,490	6,863,881	5,732,833
<b>TOTAL CURRENT LIABILITIES</b>		<b>29,210,272</b>	<b>28,220,490</b>	<b>6,863,881</b>	<b>5,732,833</b>
<b>TOTAL LIABILITIES</b>		<b>29,210,272</b>	<b>28,220,490</b>	<b>6,863,881</b>	<b>5,732,833</b>
<b>NET ASSETS</b>		<b>50,833,978</b>	<b>50,809,794</b>	<b>50,833,977</b>	<b>50,809,793</b>
<b>MEMBERS' FUNDS</b>					
Asset revaluation reserve		12,633,178	12,633,178	-	-
Retained earnings		38,200,800	38,176,616	50,833,977	50,809,793
<b>TOTAL MEMBERS' FUNDS</b>		<b>50,833,978</b>	<b>50,809,794</b>	<b>50,833,977</b>	<b>50,809,793</b>

## Statement of Changes in Members' Funds

For the year ended 30 June 2024

	Asset revaluation reserve	Retained earnings	Total
	\$	\$	\$
<b>Consolidated entity</b>			
<b>BALANCE AT 1 JULY 2022</b>	<b>12,633,178</b>	<b>38,149,868</b>	<b>50,783,046</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit for the year	-	26,748	26,748
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>26,748</b>	<b>26,748</b>
<b>BALANCE AT 30 JUNE 2023</b>	<b>12,633,178</b>	<b>38,176,616</b>	<b>50,809,794</b>
<b>BALANCE AT 1 JULY 2023</b>	<b>12,633,178</b>	<b>38,176,616</b>	<b>50,809,794</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit for the year	-	24,184	24,184
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>24,184</b>	<b>24,184</b>
<b>BALANCE AT 30 JUNE 2024</b>	<b>12,633,178</b>	<b>38,200,800</b>	<b>50,833,978</b>
	Asset revaluation reserve	Retained earnings	Total
	\$	\$	\$
<b>Parent entity</b>			
<b>RESTATED BALANCE AT 1 JULY 2022</b>	<b>-</b>	<b>50,783,045</b>	<b>50,783,045</b>
<b>OTHER COMPREHENSIVE</b>			
Profit for the year	-	26,748	26,748
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>26,748</b>	<b>26,748</b>
<b>BALANCE AT 30 JUNE 2023</b>	<b>-</b>	<b>50,809,793</b>	<b>50,809,793</b>
<b>BALANCE AT 1 JULY 2023</b>	<b>-</b>	<b>50,809,793</b>	<b>50,809,793</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit for the year	-	24,184	24,184
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>24,184</b>	<b>24,184</b>
<b>BALANCE AT 30 JUNE 2024</b>	<b>-</b>	<b>50,833,977</b>	<b>50,833,977</b>

# Statement of Cash Flows

For the year ended 30 June 2024

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
Note	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers (inclusive GST)	1,803,507	6,240,639	260,106	809,826
Payments to suppliers and employees (inclusive of GST)	(1,140,122)	(1,805,254)	(560,196)	(479,354)
Donations paid	(950,000)	(1,300,000)	(950,000)	(1,300,000)
<b>CASH GENERATED (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(286,615)</b>	<b>3,135,385</b>	<b>(1,250,090)</b>	<b>(969,528)</b>
Interest income	11	11	11	11
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(286,604)</b>	<b>3,135,396</b>	<b>(1,250,079)</b>	<b>(969,517)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Deposits received	-	12,500,000	-	-
Other dividends and distributions received	-	-	945,237	1,058,138
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>12,500,000</b>	<b>945,237</b>	<b>1,058,138</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Loans from related parties	1,061,916	-	1,207,799	2,295,594
Loans to related parties	(1,078,837)	(8,563,081)	(1,203,036)	(3,460,000)
Repayment of borrowings	-	(9,382,979)	-	-
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(16,921)</b>	<b>(17,946,060)</b>	<b>4,763</b>	<b>(1,164,406)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(303,525)</b>	<b>(2,310,664)</b>	<b>(300,079)</b>	<b>(1,075,785)</b>
Cash and cash equivalents at the beginning of the financial year	636,797	2,947,461	486,238	1,562,023
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>333,272</b>	<b>636,797</b>	<b>186,159</b>	<b>486,238</b>

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# Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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## Note 1 Reporting entity

The Australian Industry Group (the 'Organisation') is domiciled in Australia. The Group's and Organisation's registered office is at 51 Walker Street, North Sydney NSW 2060.

These financial statements comprise the Organisation and its subsidiaries (together referred to as the "Group").

The Group and Organisation is a not-for-profit entity and is primarily involved in representing its membership in manufacturing, construction, engineering, automotive, telecommunications, IT, transport, labour hire and other industries, providing assistance, advice and information to its membership in the areas of workplace relations and regulation and receiving policy, administrative and financial services from Ai Group Limited for a fee according to its service level agreement.

## Note 2 Basis of preparation

### a) Statement of compliance

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisations) Act 2009 (RO Act)*, including the Reporting Guidelines issued by the General Manager of the Fair Work Commission under the Act (the Guidelines). For the purpose of preparing the general purpose financial statements, The Australian Industry Group is a not-for-profit entity

The Australian Industry Group is a Tier 1 reporting entity and not-for-profit organisation incorporated and governed by the *Fair Work (Registered Organisations) Act 2009*. Rule 48 of the Rules of The Australian Industry Group (the reporting unit) provides that the funds of The Australian Industry Group and its income and property shall be under the control of the National Executive as the reporting unit's committee of management. The assets, liabilities and reserves included in these financial statements as at 30 June 2024 are reported in accordance with the Rules and the reporting unit's governing legislation - the *Fair Work (Registered Organisations) Act 2009 (the Act)*.

The reporting unit is the sole reporting unit for the purposes of the Act. However, these financial statements and the accounting policies applied in their preparation are governed by the Australian Accounting Standards (Tier 1 reporting entities) and Reporting Guidelines by the General Manager of the Fair Work Commission or its delegate. The financial solvency of Australian Industry Group Training Services Trust (which is a related party under the common control of the members) has been assured by the National Executive which confirms that the Organisation has guaranteed the trustees and the trust against any shortfall in the assets of the trust.

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. The financial statements include separate financial statements for The Australian Industry Group as the parent entity and sole reporting unit and the consolidated entity consisting of The Australian Industry Group and its subsidiaries ("the consolidated entity").

These consolidated and parent financial statements were authorised for issue by the Organisation's Committee of Management as of the date of the Committees' Declaration.

### b) Basis of measurement

These consolidated and parent financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

Under the Act, The Australian Industry Group is referred to as the "reporting unit". Under the Standards, the reporting unit is called the "reporting entity". The terms are interchangeable in these notes.

### c) Functional and presentation currency and rounding

These consolidated and parent financial statements are presented in Australian dollars, which is the Group's functional currency.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

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## Note 2 Basis of preparation (continued)

### d) Use of judgements and estimates

The preparation of 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. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

### e) Comparative amounts

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

### f) Adoption of New Australian Accounting Standards and amendments

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

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## Note 3 Material accounting policies

### Changes in material accounting policies

#### *Material accounting policy information*

The Group and Organisation also adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in notes below Material accounting policies (2023: Significant accounting policies) in certain instance in line with the amendments.

### Summary of material accounting policies

Apart from items described above, the Group and Organisation has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 3 Material accounting policies (continued)

### a) Basis of consolidation

#### i. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified reassessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

#### ii. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Australian Industry Group ("parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. The Australian Industry Group and its subsidiaries together are referred to in this financial report as the "consolidated entity", the "Ai Group" or the "reporting unit". The terms are interchangeable in these notes.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

#### iii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### b) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.



# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

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## Note 3 Material accounting policies (continued)

### c) Revenue

Revenue is measured at the fair value of the consideration received or receivable in the accounting period in which services are rendered. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

#### *i. Rent income*

Rent income from operating leases is recognised in income on a straight-line basis over the lease term.

#### *ii. Membership subscription income*

Membership subscription income is brought to account based on the agreed rate, which is transferred monthly upon receipt of funds from the members.

#### *iii. Interest income*

Interest income is recognised on a time proportionate basis using the effective interest method.

#### *iv. Government contracts*

Contracts from government are recognised at their fair value where there is a reasonable assurance that the contract revenue will be received and the consolidated entity will comply with all attached conditions.

Government contracts relating to costs are deferred and recognised in the statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Contracts and related costs are accounted for in the statement of profit or loss and other comprehensive income at the respective gross amounts.

### d) Income tax

No provision for income tax is made as the parent entity, being an organisation of employers registered under the Act, is exempt from income tax under Section 50-15 of the *Income Tax Assessment Act*. All trusts in the Ai Group distribute their profits to the parent entity and the other entities in the group do not trade.

### e) Contract assets

A contract asset is the right to receive consideration in exchange for services rendered to the customer. Contract assets are recognised to the extent that services have been rendered but not yet invoiced and at an amount that reflects the consideration to which the consolidated entity expects to be entitled in exchange for the services rendered. Contract assets are subject to impairment assessment.

### f) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the consolidated entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the consolidated entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the consolidated entity performs under the contract.

### g) Trade and other payables

These amounts represent financial liabilities for goods and services provided to the consolidated entity prior to the end of financial year 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.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 3 Material accounting policies (continued)

### h) Inventories

#### *Property held for resale*

Property held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred. Inventory is related to property purchased with the intent to sell.

### i) Assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

### j) Financial instruments

#### *i. Recognition and measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### *ii. Classification and subsequent measurement*

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 3 Material accounting policies (continued)

### j) Financial instruments (continued)

#### ii. Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets – subsequent measurement and gains and losses

##### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### iii. Derecognition

##### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 3 Material accounting policies (continued)

### j) Financial instruments (continued)

#### iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. 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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

### l) Impairment

#### i. *Financial assets*

#### Financial instruments and contract assets

The Group and Organisation recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets.

The Group and Organisation measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Organisation consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Organisation's historical experience and informed credit assessment, that includes forward-looking information.

The Group and Organisation assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Organisation is exposed to credit risk.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

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## **Note 3 Material accounting policies (continued)**

### **l) Impairment (continued)**

#### *i. Financial assets (continued)*

##### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and Organisation expect to receive).

All trade debtors are recognised at the amounts receivable, as they are generally due for settlement no more than 60 days from the date of invoice. Collectability of trade receivables is reviewed on an ongoing basis. Non-recoverable subscriptions are written off against Members' Subscriptions income account. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income and deferred income as applicable. Refer also to note 1(m)(iv) for further details of the expected credit loss element of the impairment assessment.

ECLs are discounted at the effective interest rate of the financial asset.

##### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### **m) Cash and cash equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents include cash held at bank which is subject to insignificant risk of changes in value.

### **n) Equity**

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with *AASB 112*.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<b>Note 4 Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE FROM CONTINUING OPERATIONS</b>				
Members' subscriptions	166,700	137,860	166,700	137,860
Other income	60,228	89,360	60,228	103,841
Interest income	11	11	11	11
	<b>226,939</b>	<b>227,231</b>	<b>226,939</b>	<b>241,712</b>
<b>TIMING OF REVENUE RECOGNITION</b>				
Products transferred at a point in time	226,939	227,231	226,939	241,712
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>226,939</b>	<b>227,231</b>	<b>226,939</b>	<b>241,712</b>

There were no revenues during the reporting period in relation to capitation fees (except for membership subscriptions as noted), compulsory fees, donations or grants, levies and revenue from recovery of wages activities to The Australian Industry Group and it was also not in receipt of any other financial support from another reporting unit under the Act. Similarly, The Australian Industry Group did not provide any financial support to any other reporting unit under the Act.

### Note 5 Discontinued operations

#### a) Description

As a result of The Australian Industry Group's review to consider the optimal legal and governance structure which would best support members interests, secure the tax-exempt status of the whole organisation across its various activities, and position the organisation for future business opportunities and growth, The Australian Industry Group implemented an organisational and corporate restructure. Under this restructure, Ai Group Limited was established as the principal operating entity, allowing The Australian Industry Group to focus on its objects and purposes as a registered employer organisation.

The National Executive of The Australian Industry Group approved the transfer of business departments, including employment of staff by the new entity and subsidiaries, and the transfer of various assets and liabilities were transferred to the new entity and subsidiaries effective from 1 January 2021. The transfer of assets, liabilities and subsidiaries to Ai Group Limited group was accounted for as a distribution, transacted directly through the relevant equity account (retained earnings or the relevant reserve).

Also, contracts have been entered into for the future sale and development of Ai Group's North Sydney Development Pty Ltd's property holdings in North Sydney. The sale and development of the property holdings is subject to the achievement of various conditions precedent.

The results in relation to the parts of The Australian Industry Group transferred to Ai Group Limited in the restructure and those related to the North Sydney property assets held for sale are reported in the current and prior period as discontinued operations. Financial information relating to the discontinued operations is set out below.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 5 Discontinued operations (continued)

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<i>Financial performance and cash flow information</i>	\$	\$	\$	\$
Revenue (i)	1,439,401	1,923,657	9,724	358,427
Expenses (ii)	(496,796)	(621,554)	(12,358)	(129,304)
Donations (iii)	(950,000)	(1,300,000)	(950,000)	(1,300,000)
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>(7,395)</b>	<b>2,103</b>	<b>(952,634)</b>	<b>(1,070,877)</b>
<b>OTHER COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net cash (outflow)/inflow from operating activities	(269,346)	2,924,813	(1,272,638)	(1,260,922)
Net cash inflow from investing activities	-	-	-	-
Net cash (outflow)/inflow from financing activities	(16,921)	-	4,763	-

Other than the above, all other cash flows presented in the statements of cash flows related to discontinued operations.

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<i>i. Revenue from discontinued operations</i>	\$	\$	\$	\$
Government contracts - over time	9,723	358,427	9,724	358,427
Rents - over time	1,429,678	1,565,230	-	-
<b>REVENUE FROM DISCONTINUED OPERATIONS</b>	<b>1,439,401</b>	<b>1,923,657</b>	<b>9,724</b>	<b>358,427</b>

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<i>ii. Discontinued expenses</i>	\$	\$	\$	\$
Net bad and doubtful debts	(2,000)	(112,962)	(2,000)	(40,027)
Communications	11,948	13,676	11,948	13,031
Meeting expenses	-	575	-	575
Net gain on disposal of property, plant & equipment	-	(604)	-	-
Consultancy fees	730	33,320	730	32,320
Professional services	-	2,055	-	-
Insurances	-	968	-	968
Occupancy costs	484,438	581,290	-	19,201
Service charges	1,680	103,236	1,680	103,236
	<b>496,796</b>	<b>621,554</b>	<b>12,358</b>	<b>129,304</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 5 Discontinued operations (continued)

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
<b>iii. Grants and donations</b>				
<b>Grants:</b>				
Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	-	-	-	-
<b>Donations:</b>				
Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	950,000	1,300,000	950,000	1,300,000
<b>TOTAL GRANTS OR DONATIONS</b>	<b>950,000</b>	<b>1,300,000</b>	<b>950,000</b>	<b>1,300,000</b>

Pursuant to a resolution passed by members at a Special General Meeting on 8 December 2021, surplus funds in excess of operational requirements may be paid to Ai Group Limited. On 30 May 2024, the Committee of Management resolved to transfer the above funds \$950,000 (2023: \$1,300,000) to Ai Group Limited.

There were no expenses during the reporting period in relation to consideration for employers making payroll deductions of membership subscriptions, for capitation fees or for compulsory levies. During the reporting period, there were no penalties imposed on The Australian Industry Group under the Act with respect to the conduct of The Australian Industry Group.

There were also no fees or periodic subscriptions paid to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters, except for those declared as affiliation fees which are listed below.

There were no affiliation fees paid to another entity during the year (2023: \$nil) by The Australian Industry Group.

### Note 6 Cash and cash equivalents

For the purpose of cash and cash equivalents in the statement of financial position and in the con statement of cash flows comprises of below:

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
Cash at bank	333,272	636,797	186,159	486,238
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>333,272</b>	<b>636,797</b>	<b>186,159</b>	<b>486,238</b>

Contract funds unexpended at year end amounting to \$4,133 (2023: \$56,861) which are included in the balances above (refer to notes 11), can only be used for the purposes of the contract.



## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 6 Cash and cash equivalents (continued)

#### Cash flow reconciliation

Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:

	Consolidated entity 2024 \$	Consolidated entity 2023 \$	Parent entity 2024 \$	Parent entity 2023 \$
<b>Cash and cash equivalents as per:</b>				
Statement of cash flow	333,272	636,797	186,159	486,238
Statement of financial position	333,272	636,797	186,159	486,238
<b>DIFFERENCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of profit to net cash from operating activities:</b>				
Profit for the year	24,184	26,748	24,184	26,748
<b>Adjustments for non-cash items</b>				
Dividend, contributions and distributions as classified in investing cash flows	2,000	-	(943,237)	(1,058,138)
<b>Change in operating assets and liabilities:</b>				
(Increase)/decrease in trade and other receivables	(47,921)	3,522,431	19,463	136,077
Decrease in trade and other payables	(264,867)	(413,783)	(350,489)	(74,204)
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>(286,604)</b>	<b>3,135,396</b>	<b>(1,250,079)</b>	<b>(969,517)</b>
	Consolidated entity 2024 \$	Consolidated entity 2023 \$	Parent entity 2024 \$	Parent entity 2023 \$
<b>Note 7 Trade and other receivables</b>				
Trade receivables	238,175	228,388	14,705	34,140
Provision for impairment	-	(2,000)	-	(2,000)
Related party receivable	6,097,857	5,018,995	5,871,732	5,018,995
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>6,336,032</b>	<b>5,245,383</b>	<b>5,886,437</b>	<b>5,051,135</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<b>Note 8 Inventories</b>	\$	\$	\$	\$
Properties held for development and resale	-	53,860,871	-	2,012,190
<b>TOTAL INVENTORIES</b>	-	<b>53,860,871</b>	-	<b>2,012,190</b>

In prior year, the Pacific Highway and 53 Walker Street properties are classified as inventory as the organisation purchased them with the intention to sell or develop and sell them.

These properties have been reclassified to assets held for sale during the year.

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<b>Note 9 Assets classified as held for sale</b>	\$	\$	\$	\$
Assets classified as held for sale (properties and land)	73,315,986	19,266,385	2,012,190	-
<b>TOTAL ASSETS CLASSIFIED AS HELD FOR SALE</b>	<b>73,315,986</b>	<b>19,266,385</b>	<b>2,012,190</b>	-

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<b>Note 10 Other financial assets</b>	\$	\$	\$	\$
Shares in wholly owned subsidiaries	-	-	1	11
Shares in other corporations	6	6	6	6
Units in unit trust subsidiaries	-	-	1	11
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>28</b>

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$

### a) Shares in wholly owned subsidiaries

Ai Group Legal Pty Ltd	-	-	-	10
Ai Group North Sydney Property Development Pty Ltd	-	-	1	1
	-	-	<b>1</b>	<b>11</b>

### b) Shares in other corporations

Australian Super Pty Ltd	6	6	6	6
	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 10 Other financial assets (continued)

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
<b>c) Units in unit trust subsidiaries</b>				
Ai Group Legal Unit Trust	-	-	-	10
North Sydney Property Unit Trust	-	-	1	1
	-	-	1	11

The investment in the shares of Australian Super Pty Ltd represents 50% of its issued capital. Ai Group does not have beneficial ownership in this entity, neither through dividend entitlements or proceeds upon its wind up, under the strict terms of its constitution, and as such it is carried at its original cost. The cost amount is also deemed to be its fair value.

Australian Super Pty Ltd is the Trustee of Superannuation Trust of Australia.

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
<b>Note 11 Trade and other payables</b>				
Trade payables and other payables (a)	73,221	92,627	45,320	69,343
Payables to related parties	8,232,918	7,171,002	6,814,428	5,606,629
Unexpended government contracts (b)	4,133	56,861	4,133	56,861
Refundable deposit payable (c)	20,900,000	20,900,000	-	-
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>29,210,272</b>	<b>28,220,490</b>	<b>6,863,881</b>	<b>5,732,833</b>

#### a) Legal liability

There are no litigation case liabilities for the year (2023: \$nil).

#### b) Unexpended government contracts

Under arrangements with the Commonwealth and various State Governments the consolidated entity was either given, or acted as custodian of, various contracts earmarked for specific purposes in the Manufacturing, Engineering, Construction, Information Technology and Telecommunications industries. Contract funds not expended at the completion of the contract for the purposes of the contract are managed in accordance with the individual contract requirements.

#### i. Significant changes in contract assets and liabilities

There were no significant changes in contract assets and contract liabilities noted during the year.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 11 Trade and other payables (continued)

#### b) Unexpended government contracts (continued)

##### ii. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	Consolidated entity	Consolidated entity	Parent entity	Parent entity
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>				
Government contracts	-	65,173	-	65,173

#### c) Refundable deposit payable

Contractual arrangements were entered into to enable the sale and subsequent redevelopment of properties owned by Ai Group's North Sydney Development Pty Ltd (controlled entity). A total deposit of \$20.9m (2023: \$20.9m) has been paid by the counterparty. The proceeds were used to repay the prior year's outstanding bank loans, with the balance invested by a related party under its managed investment fund. The deposit amount is refundable, subject to the completion of a transaction for the properties and, as such, it has been retained as a liability and not recognised as revenue.

#### d) Other payables and provisions

There are no payable to employers for making payroll deductions of membership subscriptions and provisions for the year (2023: \$nil).

	Consolidated entity	Consolidated entity	Parent entity	Parent entity
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Total other payables are expected to be settled in:</b>				
No more than 12 months	8,306,139	7,263,629	6,859,748	5,675,972
More than 12 months	-	-	-	-
	<b>8,306,139</b>	<b>7,263,629</b>	<b>6,859,748</b>	<b>5,675,972</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 12 Financial instruments

		Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
<b>a) Accounting classifications</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>					
Cash and cash equivalents	6	333,272	636,797	186,159	486,238
Trade and other receivables	7	6,336,032	5,245,383	5,886,437	5,051,135
Loans to related parties	15	-	-	49,616,337	48,993,035
Other financial assets	10	6	6	8	28
		<b>6,669,310</b>	<b>5,882,186</b>	<b>55,688,941</b>	<b>54,530,436</b>
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>					
Trade payables	11	73,221	92,627	45,320	69,343
Payables to related parties	11	8,232,918	7,171,002	6,814,428	5,606,629
		<b>8,306,139</b>	<b>7,263,629</b>	<b>6,859,748</b>	<b>5,675,972</b>
		<b>Consolidated entity 2024</b>	<b>Consolidated entity 2023</b>	<b>Parent entity 2024</b>	<b>Parent entity 2023</b>
<b>b) Net income and expense from financial assets</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS AT AMORTISED COST</b>					
Interest revenue		11	11	11	11
Impairment		-	-	-	-
<b>NET INCOME/(EXPENSE) FROM FINANCIAL ASSETS</b>		<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

### c) Financial risk management

The consolidated entity's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The consolidated entity's financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance of the consolidated entity. 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 interest rate and ageing analysis for credit risk.

#### i. Interest rate risk

Interest rate risk refers to the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from its cash placements at banks. However, the interest rate risk is minimal at reporting date.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 12 Financial instruments (continued)

#### c) Financial risk management (continued)

##### ii. Credit risk

The consolidated entity has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents as well as credit exposures to the sales of services to members and customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The consolidated entity has procedures in place to ensure that sales of services are made to members and customers with an appropriate credit history. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets in this note.

Cash and cash equivalent and credit exposures to the sales of services to members and customers, including outstanding receivables are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

The consolidated entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The impact of expected credit losses to previous period was immaterial based on the assessment over a period of 36 months before 1 July 2023 and the corresponding historical credit losses experienced within this period were not significant. Management's assessment of the credit loss provision includes consideration of forward looking macroeconomic factors.

To measure the expected credit losses, trade and other receivables have been grouped based on the days past due. Trade receivables are generally due for settlement within 60 days and the receivables aged more than 90 days are determined to be credit impaired assets. Loss allowance of the credit impaired assets are individually assessed by the management at the end of each reporting period.

Credit quality of trade and other receivables based on expected credit loss or to historical information about counterparty default rates at 30 June 2024 are follows:

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Trade and other receivables	\$	\$	\$	\$	\$	\$
<b>CONSOLIDATED ENTITY - 30 JUNE 2024</b>						
Not impaired	223,445	-	6,112,587	-	-	6,336,032
Credit impaired	-	-	-	-	-	-
Less credit loss allowances	-	-	-	-	-	-
	<b>223,445</b>	<b>-</b>	<b>6,112,587</b>	<b>-</b>	<b>-</b>	<b>6,336,032</b>
<b>CONSOLIDATED ENTITY - 30 JUNE 2023</b>						
Not impaired	-	-	5,242,633	-	-	5,242,633
Credit impaired	-	-	-	4,750	-	4,750
Less credit loss allowances	(2,000)	-	-	-	-	(2,000)
	<b>(2,000)</b>	<b>-</b>	<b>5,242,633</b>	<b>4,750</b>	<b>-</b>	<b>5,245,383</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 12 Financial instruments (continued)

#### c) Financial risk management (continued)

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Parent entity - 30 June 2024	\$	\$	\$	\$	\$	\$
Not impaired	-	-	5,886,437	-	-	5,886,437
Credit impaired	-	-	-	-	-	-
Less credit loss allowances	-	-	-	-	-	-
	-	-	<b>5,886,437</b>	-	-	<b>5,886,437</b>
<b>PARENT ENTITY - 30 JUNE 2023</b>						
Not impaired	-	-	5,048,385	-	-	5,048,385
Credit impaired	-	-	-	4,750	-	4,750
Less credit loss allowances	(2,000)	-	-	-	-	(2,000)
	<b>(2,000)</b>	-	<b>5,048,385</b>	<b>4,750</b>	-	<b>5,051,135</b>

#### iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash available for use. The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

#### Maturities of financial liabilities

The tables below analyses the consolidated entity's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total contractual cash flows
Contractual maturities of financial liabilities	\$	\$	\$	\$	\$	\$
<b>CONSOLIDATED ENTITY - AT 30 JUNE 2024</b>						
<b>NON-DERIVATIVES</b>						
Trade payables- Non-interest bearing	-	73,221	-	-	-	73,221
Payables to related parties	-	8,232,918	-	-	-	8,232,918
<b>TOTAL NON-DERIVATIVES</b>	-	<b>8,306,139</b>	-	-	-	<b>8,306,139</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 12 Financial instruments (continued)

	On demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total contractual cash flows
Contractual maturities of financial liabilities	\$	\$	\$	\$	\$	\$

#### CONSOLIDATED ENTITY - AT 30 JUNE 2023

##### NON-DERIVATIVES

Trade payables- Non-interest bearing	-	92,627	-	-	-	92,627
Payables to related parties	-	7,171,002	-	-	-	7,171,002
<b>TOTAL NON-DERIVATIVES</b>	-	<b>7,263,629</b>	-	-	-	<b>7,263,629</b>

	On demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total contractual cash flows
Parent entity - at 30 June 2024	\$	\$	\$	\$	\$	\$

##### NON-DERIVATIVES

Trade payables- Non-interest bearing	-	45,320	-	-	-	45,320
Payables to related parties	-	6,814,428	-	-	-	6,814,428
<b>TOTAL NON-DERIVATIVES</b>	-	<b>6,859,748</b>	-	-	-	<b>6,859,748</b>

#### PARENT ENTITY - AT 30 JUNE 2023

##### NON-DERIVATIVES

Trade payables - Non-interest bearing	-	69,343	-	-	-	69,343
Payables to related parties	-	5,606,629	-	-	-	5,606,629
<b>TOTAL NON-DERIVATIVES</b>	-	<b>5,675,972</b>	-	-	-	<b>5,675,972</b>

#### d) Fair value estimation

##### Summarised sensitivity analysis

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments* - Disclosures requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- 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 2), and Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

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



# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 13 List of subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3(a):

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2024	2023
Ai Group Legal Pty Ltd (a)	Australia	Ordinary shares	-	100%
Ai Group North Sydney Development Pty Ltd (b)	Australia	Ordinary shares	100%	100%

For the whole year, or until transferred to Ai Group Limited as part of the organisational restructure, The Australian Industry Group continued to operate these entities, some of which are corporate trustees:

- a) Ai Group Legal Pty Ltd which acted as trustee for Ai Group Legal Unit Trust (the whole of the issued units in which are held beneficially and legally by Ai Group) which unit trust provides legal services under the various Legal Profession Acts. These operations ceased at the end of 30 June 2022. This trustee has been dissolved on 17 May 2022 and voluntarily deregistered on 26 June 2024.
- b) Ai Group North Sydney Development Pty Ltd which acts as trustee for North Sydney Property Unit Trust (the whole of the issued units in which are held beneficially and legally by Ai Group) which unit trust owns property in North Sydney, New South Wales.

## Note 14 Commitments

The parent entity had no capital commitments as at 30 June 2024 (2023: \$nil).

## Note 15 Related parties

In the audit of these financial statements, The Australian Industry Group must comply with:

- the Australian Accounting Standards (AASB), and
- the Reporting Guidelines issued under the *Fair Work (Registered Organisations) Act 2009* (the Act), and
- the Act and its regulations.

### a) Related Party Transactions Under the Standard

AASB 124 (the Standard) requires disclosure of related party transactions and for the purposes of this Note 15(a), the definition of related party in AASB 124 has been adopted. Key Management Personnel in the Standard includes the Officers (non-executive appointees) of Ai Group and senior executive management (employees) of Ai Group.

#### i. Officers of Ai Group

The Officers of Ai Group (refer to page 3 in the Operating Report) together control the entity and have the responsibility for the management of the affairs of the entity, determination of the policy of the entity and to make, rescind, alter and enforce the rules of the entity. Other than a payment regarding property consulting services performed by Alford Capital, none of the Officers entered into any related party transactions as required to be disclosed under AASB 124 for the reporting period. Nor, during the financial year, did any of those Officers receive any payment or benefit in relation to their duties performed as Officers to Ai Group. No payments were made to a former related party of The Australian Industry Group (the reporting unit).

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 15 Related parties (continued)

#### a) Related Party Transactions Under the Standard (continued)

##### ii. Executive Management

The executive managers (or key management personnel) of Ai Group are not Officers under the Act as their participation in the management of Ai Group is only in accordance with the directions given to them by the Committee of Management of Ai Group or by an Officer for the purpose of implementing the policy of the entity or a decision concerning the entity.

All executive managers of Ai Group are employed by Ai Group Limited. The key management personnel compensation amounts below therefore represent amounts paid to Ai Group Limited in relation to services performed by the executive managers for and on behalf of Ai Group.

None of the executive managers entered into any other related party transactions during the reporting period requiring disclosure under AASB 124.

#### Key management personnel compensation

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
Total key management personnel compensation	120,024	114,807	120,024	114,807

Refer to Note (iii) below for service charges which include key management personnel costs.

##### iii. Transactions with other related parties

The following transactions occurred with other related parties:

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
<b>Sales/(purchases) of goods and services to/(from) other related parties</b>				
Member fee	166,700	156,163	166,700	156,163
Rental revenue	456,710	555,750	-	-
Rent expense	-	(19,200)	-	(19,200)
Staff recharges received	2,138	-	2,138	-
Service charges	(150,030)	(143,509)	(150,030)	(143,509)
Staff recharges paid	(42,547)	(103,236)	(42,547)	(103,236)
	<b>432,971</b>	<b>445,968</b>	<b>(23,739)</b>	<b>(109,782)</b>
Donations to Ai Group Limited	(950,000)	-	(950,000)	-
	<b>(950,000)</b>	<b>-</b>	<b>(950,000)</b>	<b>-</b>

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

### Note 15 Related parties (continued)

#### a) Related Party Transactions Under the Standard (continued)

##### iv. Outstanding balances arising from sales/purchases of goods and services

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

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
Payables to other related parties	(8,232,918)	(7,171,002)	(6,814,429)	(5,606,629)
Receivables from other related parties	6,097,857	5,018,995	5,871,732	5,018,995
	<b>(2,135,061)</b>	<b>(2,152,007)</b>	<b>(942,697)</b>	<b>(587,634)</b>

##### v. Loans to/from related parties

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$
<b>Loans to subsidiaries</b>				
Beginning of the year	-	-	48,993,035	52,708,195
Loans advanced	-	-	1,166,522	2,010,740
Loan repayments received	-	-	(547,220)	(5,725,900)
<b>END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>49,612,337</b>	<b>48,993,035</b>

##### vi. Terms and conditions

All outstanding balances and loans to/from related parties are non-interest bearing and are repayable on demand.

#### b) Related party payments under the Act and the Reporting Guidelines

Under the Act Ai Group (the reporting unit under the Act) is required to disclose to its members all payments made by it to its related parties during the financial year 2023-24.

A related party to Ai Group under the Act includes the following:

- a related body corporate (2024: Ai Group Legal Pty Ltd and Ai Group North Sydney Development Pty Ltd; 2023: Ai Group Legal Pty Ltd and Ai Group North Sydney Development Pty Ltd);
- Officers of Ai Group;
- Relatives of Officers;
- Persons or entities in which an Officer has disclosed a material personal interest ("declared persons").

Ai Group is required to disclose any payments made in the 2023-24 financial year to related parties and declared persons and bodies in excess of \$5,000 (cumulative).

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 15 Related parties (continued)

### b) Related party payments under the Act and the Reporting Guidelines (continued)

A related party is any of the following:

- a. an entity controlled by the Ai Group or a branch of the Ai Group;
- b. the Ai Group's national and branch officers and their spouses;
- c. relatives of the Ai Group's national and branch officers and their spouses (meaning a parent, step-parent, child, step-child, grandparent, grandchild, brother or sister);
- d. an entity controlled by a related party referred to in paragraphs (a), (b) or (c) above.

Note: an entity is a related party:

- i. at a particular time if it was a related party of a kind referred to in paragraphs (a), (b), (c) or (d) at any time within the previous 6 months;
- ii. if the entity believes or has reasonable grounds to believe, that it is likely to become a related party of a kind referred to in paragraphs (a), (b), (c) or (d) at any time in the future;
- iii. if the entity acts in concert with a related party on the understanding that the related party will receive a financial benefit if the Ai Group or a branch of the Ai Group gives that entity a financial benefit.

A declared person or body is defined in section 293G(6) of the *Fair Work (Registered Organisations) Act 2009*.

Ai Group's wholly owned subsidiary entity Ai Group North Sydney Development Pty Ltd (trustee for the North Sydney Property Unit Trust) has made the following payments (which cumulate to \$5,000 or more) to persons, bodies or entities in paragraphs (a), (b), (c) or (d) (having also regard to the further information set out in points (i), (ii) and (iii) above) as required to be disclosed under section 293J of the *Fair Work (Registered Organisations) Act 2009* and Rule 30 of the Rules of the Ai Group for the reporting period:

Name	Nature of relationship	Purpose of payment	Amount (GST inclusive)
Alford Capital Pty Ltd	National Officer is a Shareholder, Director and Secretary of the Entity	Property Consulting Services	72,600

Ai Group has made payments on behalf of the related entities in paragraph (d) on an interest free basis, repayable by the entities at the cost incurred by Ai Group from external providers. Ai Group has received funds at various times throughout the year from the related entities in paragraph (d) in repayment of costs incurred and in reduction of trust distributions received by Ai Group.

For the purposes of the Act, it is also noted Ai Group abolished its branches on 8 June 2021. Accordingly, there are no disclosures of any payments made by any of the branches for the financial year 2023-24 to any related parties or declared persons of those branches.

## Note 16 Administration of financial affairs by a third party

Ai Group Limited provided administrative, operational and financial services to The Australian Industry Group, including collection of membership fees.

Membership fees at the agreed rate are transferred monthly upon receipt of funds from the members.

Administrative, operational and financial services are charged on a percentage basis across the Ai Group organisation in accordance with a service agreement, and agreed proportional rental based on employees.

# Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

## Note 17 Contingent liabilities and contingent assets

### Contingent liabilities

The consolidated entity had contingent liabilities at 30 June 2024 in respect of:

#### a) Claims and other legal matters

The consolidated entity had no contingent liabilities in respect of claims at 30 June 2024 (2023: \$nil).

#### b) Guarantees

The Australian Industry Group has guaranteed payment of the debts of Australian Industry Group Training Services Pty Ltd (and Australian Industry Group Training Services Trust). Total liabilities at the end of 30 June 2024 were \$4,635,654 (2023: \$5,613,407).

#### c) Bank guarantees

The consolidated entity has a bank guarantee of \$nil (2023: \$nil).

#### d) Bank security

The consolidated entity has a bank loan of \$nil (2023: \$nil).

	Consolidated entity 2024	Consolidated entity 2023	Parent entity 2024	Parent entity 2023
	\$	\$	\$	\$

## Note 18 Auditor's remuneration

### AUDIT AND REVIEW SERVICES

#### AUDITORS OF THE GROUP

KPMG Australia	30,000	-	30,000	-
PWC Australia	-	34,450	-	34,450
	<b>30,000</b>	<b>34,450</b>	<b>30,000</b>	<b>34,450</b>

#### OTHER SERVICES

##### - TAX AND OTHER ASSURANCE SERVICES

#### AUDITORS OF THE GROUP

KPMG Australia	-	-	-	-
PWC Australia	-	12,714	-	-
	-	<b>12,714</b>	-	-

##### - COMPILATION OF FINANCIAL STATEMENTS

#### AUDITORS OF THE GROUP

KPMG Australia	5,500	-	5,500	-
PWC Australia	-	7,975	-	7,975
	<b>5,500</b>	<b>7,975</b>	<b>5,500</b>	<b>7,975</b>

## Note 19 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee of Management, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## Notes to the Consolidated Financial Statements (Continued)

For the year ended 30 June 2024

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### **Note 20 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 24A:

1. A member of a 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).

### **Note 21 Reporting Guidelines under the RO Act (RGs)**

For the purposes of the Reporting Guidelines, all activities during the reporting period required to be mentioned in the General-Purpose Financial Report (GPFR) are noted on the face of the consolidated financial statements or in these notes or in the Officer's Declaration Statement.

## Committee of Management's Statement

For the year ended 30 June 2024

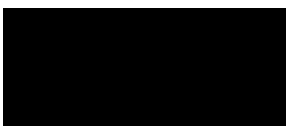
This Statement is made by the Committee of Management of The Australian Industry Group (the National Executive) pursuant to a resolution passed by the National Executive on 5 September 2024 (the date of passage of the resolution) in relation to the matters requiring declaration under the Reporting Guidelines issued in accordance with section 255 of the *Fair Work (Registered Organisations) Act 2009* (the Act) and is signed by the Designated Officer within the meaning of section 243 of the Act and is dated as at the date the Designated Officer signs this Statement:

The National Executive declared on the date of passage of the resolution in relation to the financial and operating reports and other prescribed information of The Australian Industry Group (the reporting unit) for the financial year ending 30 June 2024 (the reporting period) that in the opinion of the committee of management:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the Reporting Guidelines issued pursuant to Part 3 of Chapter 8 of the Act;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- e) no revenue has been derived from undertaking recovery of wages activity during the reporting period; and
- f) During the financial year to which the General Purpose Financial Report relates and since the end of that year:
  - i. meetings of the National Executive were held in accordance with the Rules of the reporting unit; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with its Rules; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Act and its related Regulations; and
  - iv. no information from the reporting unit has been requested or sought under or pursuant to section 272 of the Act; and
  - v. no orders for inspection of financial records of the reporting unit have been made by the Fair Work Commission under section 273 of the Act.

This statement is signed by the National Secretary-Treasurer being the authorised Designated Officer under the Rules within the meaning of section 243 of the Act; and is dated the date on which the Designated Officer signs this statement.

For the Committee of Management By its Designated Officer



Russell Rolls (National Secretary-Treasurer)  
Officer

5 September 2024.

## Officer Declaration Statement

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I, Russell Rolls, being the National Secretary-Treasurer of The Australian Industry Group, declare that the following activities did not occur during the reporting period ending 30 June 2024.

The reporting unit did not:

- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Agree to receive financial support from another reporting unit to continue as a going concern
- Agree to provide financial support to another reporting unit to ensure they continue to operate as a going concern
- Pay wages and salaries to employees
- Pay superannuation to employees
- Pay leave and other entitlements to employees
- Pay separation and redundancy to employees
- Pay other employee expenses to employees
- Pay to a person fees or allowances to attend conferences or meeting as a representative of the reporting unit
- Incur expenses due to holding a meeting as required under the rules of the organisation
- Have a payable with another reporting unit
- Have a receivable with another reporting unit
- Pay wages and salaries to holders of office
- Pay superannuation to holders of office
- Have an annual leave provision in respect of holders of office
- Have a long service leave provision in respect of holders of office
- Have a separation and redundancy provision in respect of holders of office
- Have other employee provisions in respect of holders of office
- Have an annual leave provision in respect of employees
- Have a long service leave provision in respect of employees
- Have a separation and redundancy provision in respect of employees
- Have other employee provisions in respect of employees
- Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the Organisation
- Have a balance within a general fund
- Provide cashflows to another reporting unit
- Receive cashflows from another reporting unit
- Have a payable with an employer for making payroll deductions for membership subscriptions



# Officer Declaration Statement

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For the Committee of Management By its Designated Officer



Russell Rolls (National Secretary-Treasurer)  
Officer

5 September 2024.



# Independent Auditor's Report

To the members of The Australian Industry Group

## Opinion

We have audited the **Financial Report** of The Australian Industry Group (the Reporting Unit) and its controlled entities (together the Organisation).

In our opinion, the accompanying Financial Report of the Organisation presents fairly, in all material respects, the financial position of the Organisation as at 30 June 2024 and of its financial performance and its cash flows for the year then ended, in accordance with the *Australian Accounting Standards and 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 **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes, including material accounting policies
- Other explanatory information including the Committee of Management Statement, Officer Declaration Statement and the Expenditure Report required under Subsection 255(2A).

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



### Restriction on Use

The Financial Report has been prepared to assist the Committee of Management of The Australian Industry Group in complying with the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Committee of Management and members of the The Australian Industry Group and should not be used by parties other than the Committee of Management and members of The Australian Industry Group. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Committee of Management and members of The Australian Industry Group or for any other purpose than that for which it was prepared.

### Other information

Other Information is financial and non-financial information in The Australian Industry Group's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Committee of Management are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was Operating report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Committee of Management for the Financial Report

The Committee of Management are responsible for:

- the presentation and fair presentation of the Financial Report in accordance with the financial reporting requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error; and
- assessing the Organisation's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate 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 objective is:

- 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 Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.



We communicate with the Committee of Management of the registered Organisation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

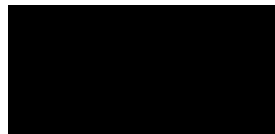
I declare that I am an auditor registered under the Fair Work (Registered Organisations) Act 2009.

### Opinion

I declare that, as part of the audit of the financial year ended 30 June 2024, the Committee of Management's use of the going concern basis of accounting in the preparation of the Organisation's financial report is appropriate.



KPMG



Amanda Bond

*Partner*

Tower Two, Collins Square,  
727 Collins Street, Melbourne

5 September 2024

Registered Auditor – Fair Work (Registered Organisations)  
Act 2009, #AA2019/11

## Report Required Under Subsection 255(2A)

For the year ended 30 June 2024

The Committee of Management of The Australian Industry Group (the National Executive) presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2024.

	2024	2023
<b>Categories of expenditures</b>	<b>\$</b>	<b>\$</b>
Operating costs	1,642,154	2,124,141
<b>TOTAL EXPENSES FROM OPERATIONS FOR THE REPORTING UNIT</b>	<b>1,642,154</b>	<b>2,124,141</b>

This statement is signed by the National Secretary-Treasurer being the authorised Designated Officer under the Rules within the meaning of section 243 of the Act; and is dated the date on which the Designated Officer signs this statement.

For the Committee of Management By its Designated Officer



Russell Rolls (National Secretary-Treasurer)  
Officer

5 September 2024.