



Australian Government
Registered Organisations Commission

15 January 2021

Mr Robert Kirkham
Secretary/Treasurer
Australian Business Industrial

By e-mail: industrial@australianbusiness.com.au

Dear Mr Kirkham

Australian Business Industrial
Financial Report for the year ended 30 June 2020 - FR2020/223

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Australian Business Industrial (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 8 December 2020.

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

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

1. Committee of management statement

Disclosure of recovery of wages

The 5th edition of the Reporting Guidelines (RG) no longer require a statement regarding recovery of wages activity to be included in the committee of management statement.

However, item 13(e) of the 5th edition RGs requires the disclosure of recovery of wages in either the statement of comprehensive income or the notes to the financial statements. The reporting unit has correctly disclosed this at note 17 to the GPFR.

In future, please do not include a recovery of wages statement in the committee of management statement.

Reference to Fair Work Commission/General Manager

The Registered Organisations Commission has been the regulator for registered organisations since 1 May 2017. It is noted that the reporting unit's committee of management statement still refers to at (b) "General Manager of the Fair Work Commission" and two references at (e)(iv) to "General Manager".

In future, please ensure that these references are changed to Commissioner.

2. General Purpose Financial Report (GPFR)

Notice setting out sections 272(1), (2) & (3)

Subsection 272(5) of the RO Act requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (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 19 to the reporting units GPFR does not reproduce this wording.

In future, please ensure that subsections 272(1), (2) & (3) are reproduced as required by the legislation.

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 17(a) – have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Item 17(b) - transfer to or withdraw from a fund (other than the general fund), asset or controlled entity
- Item 17(c) – have moneys from a fund or account been invested in assets

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

AUSTRALIAN BUSINESS INDUSTRIAL
ABN 59 687 108 073


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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2020

I Robert Kirkham being the Secretary/Treasurer of Australian Business Industrial certify:

- that the documents lodged herewith are copies of the full report for Australian Business Industrial for the period ended 30 June 2020 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of Australian Business Industrial on 1 October 2020; and
- that the full report was presented to a general meeting of members of Australian Business Industrial on 2 December 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Date	2 December 2020
Signature of prescribed designated officer	
Name of prescribed designated officer	Robert Kirkham
Title of the prescribed designated officer	Secretary/Treasurer



AUSTRALIAN BUSINESS INDUSTRIAL ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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The financial report was authorised by the Councillors on 23 September 2020. The Councillors of Australian Business Industrial has the power to amend and re-issue the financial report.

President's Report 2020

Dear Members,

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

The COVID-19 pandemic has wreaked havoc on business, government and employees with no one spared from its impacts. In response, the Federal Government implemented the JobKeeper Scheme to keep businesses afloat and employees connected to their employers through this difficult period. The Jobkeeper scheme was a necessary response and enacted swiftly with the agreement of all sides of politics, but not without its hiccups.

COVID-19 variations to modern awards

In response to the COVID-19 pandemic, both employer organisations and trade unions have worked together to make a number of temporary variations to a number of modern awards.

These amendments are due to a commendable and unprecedented level of cooperation between the Australian Chamber of Commerce and Industry (ACCI), Ai Group, the Australian Council of Trade Unions and Australian Services Union (with ACCI represented by Australian Business Lawyers & Advisors throughout the process).

These amendments included measures such as increasing the spread of hours while working from home, greater flexibility to direct employees to undertake separate duties and a greater ability to direct the taking annual leave.

To quote from the decision directly from the decision of the Fair Work Commission that confirmed the amendments to the Clerks - Private Sector Award 2020:

"The measures encompassed in the variation strike an appropriate balance between the provision of additional flexibility and treating affected employees fairly. As Mr Ward, on behalf of ACCI, put it in oral argument during the course of commending the role played by the ASU and ACTU: 'these are times for humility, courage and generosity of spirit.' In our view these qualities have been amply demonstrated by all of those involved. We commend the parties on the balanced nature of the agreed package."

IR Working Groups

On 26 May 2020, The Prime Minister delivered an address to the National Press club, with industrial relations a key focus of the speech. In that speech, the Prime Minister indicated the government was pursuing a post-coronavirus industrial relations compact by September, which has been pegged as leading to possibly the most ambitious workplace relations changes since the Accord of the 1980s in order to support the reopening of the economy and the restoration of thousands of the jobs that have been lost as a result of COVID-19.

The key announcement was that the Attorney-General, Christian Porter, will oversee a new time-bound process of five working groups to negotiate a package to promote jobs, in five key industrial relations areas:

- Award simplification (covering Awards in industry sectors heavily impacted by COVID-19)
- Enterprise agreement making
- Casuals and fixed term employees
- Compliance and enforcement; and
- Greenfields agreements.

Employers and union representatives will sit on each group, along with a number of individuals from a diverse range of areas such as small business, rural and regional businesses, multicultural communities, etc.

Due to a proactive engagement with ACCI, who have a seat on each of these Working Groups, ABI has been forward in ensuring its member's interests are represented in these working groups.

At the time of writing there have been no significant outcomes as discussions are ongoing but we remain optimistic.

Advocacy

With the assistance of ABLA, ABI has continued to strongly advocate on behalf of business on a range of industrial matters, including COVID-19 variations to the modern awards, the Paid Pandemic Leave claims in the health sector awards and the Supported Employment Services Award proceedings.

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

Thank you

I would like to thank Angela Fiumara, Elizabeth Greenwood, Mark Frost and the NSWBC policy team for keeping the council informed of the latest happenings in party politics in NSW and in Canberra.


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

As ever, Nadee De Silva ensures the day to day operations of ABI run smoothly. We could not do it without her and I'm very grateful for her hard work.

Finally, I want to pay tribute to Stephen Cartwright who left Business NSW this month. His support of ABI has been magnificent and consistent in my 6 years as President. His knowledge and counsel have been invaluable to me and ABI Council. Thank you.

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

This has been a difficult period for business and it may not get easier for some time. Rest assured that ABI will be tirelessly advocating for employer interests to state and federal governments to keep the doors open and keep employees in their jobs.



Kerry Wilson
President

23 September 2020

Australian Business Industrial Operating Report 30 June 2020

The Committee of Management of Australian Business Industrial ("the Organisation") presents its report for the financial year ended 30 June 2020.

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

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

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

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

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

The net surplus of the Organisation was \$40,123 for the year (2019 deficit: \$8,415).

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

No revenue has been derived by the Registered Organisation from undertaking recovery of wages activity during the reporting period ended 30 June 2020.

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

Significant changes in financial affairs

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

Right of members to resign

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

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

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

Number of members

The number of persons that were, at the end of the financial reporting year, recorded in the register of members is 3,781 (2019: 4,102).

Number of employees

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

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

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

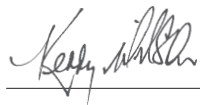
Name	Position	Date
Kerry Wilson	President	Appointed 25 August 2016
Bruce Mackenzie	Vice President	Appointed 25 August 2016
Tom Bowers	Vice President	Appointed 25 August 2016, Resigned 29 April 2020
Robert Kirkham	Secretary /Treasurer	Appointed 25 August 2016
Jane Cleary	Executive Committee	Appointed 25 August 2016, Resigned 26 February 2020
David Long	Executive Committee	Appointed 25 August 2016
Jessica Liley	Executive Committee	Re-appointed 05 December 2018, Resigned 4 December 2019
Gerry Carr	Councillor	Re-appointed 29 August 2018
Andrew Vlachos	Councillor	Appointed 20 July 2016
Annabel Leete	Councillor	Appointed 20 July 2016, Resigned 16 December 2019
Ian Lilley	Councillor	Appointed 20 July 2016
Mark Douglas	Councillor	Appointed 21 February 2018, Resigned 01 May 2020
Bonnie Kestel	Councillor	Appointed 21 February 2018, Resigned 23 October 2019
Nathan Bright	Councillor	Appointed 05 December 2018
Anna- Maria Wade	Councillor	Appointed 28 August 2019
Vince Surra	Councillor	Appointed 23 October 2019
Keiran Brown	Councillor	Appointed 29 April 2020
Skye Britton	Councillor	Appointed 24 June 2020

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

Matters subsequent to the end of the financial year

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

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



Kerry Wilson
Councillor

North Sydney
23 September 2020



Robert Kirkham
Councillor

Australian Business Industrial

Statement of Comprehensive Income for the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue from Contracts with customers			
Membership subscription	3A	198,364	205,100
Capitation fees	3B	-	-
Levies	3C	-	-
Interest	3D	94	969
Total revenue		<u>198,458</u>	<u>206,069</u>
Other income			
Grants and/or donations	3E	-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>198,458</u>	<u>206,069</u>
Expenses			
Employee expenses	4A	-	-
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	(151,333)	(207,686)
Grants or donations	4E	-	-
Legal costs - other legal matters	4F	-	-
Audit fees	10	(7,002)	(6,798)
Penalties - via RO Act or RO Regulations	4G	-	-
Total expenses		<u>(158,335)</u>	<u>(214,484)</u>
Surplus (deficit) for the year		<u>40,123</u>	<u>(8,415)</u>
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>40,123</u>	<u>(8,415)</u>

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

Australian Business Industrial
Statement of Financial Position as at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	78,353	86,137
Trade and other receivables	5B	190,402	226,475
Total current assets		<u>268,755</u>	<u>312,612</u>
Total assets		<u>268,755</u>	<u>312,612</u>
LIABILITIES			
Current liabilities			
Trade and other payables	6	152,601	227,267
Contract liabilities	7	83,310	-
Total current liabilities		<u>235,911</u>	<u>227,267</u>
Total liabilities		<u>235,911</u>	<u>227,267</u>
Net assets		<u>32,844</u>	<u>85,345</u>
EQUITY			
Retained earnings (accumulated profit)	9	32,844	85,345
Total equity		<u>32,844</u>	<u>85,345</u>

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

Australian Business Industrial

Statement of Changes in Equity for the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Total equity at the beginning of the financial year		85,345	93,760
Impact of adopting AASB15		(92,624)	-
Total comprehensive income / (loss) for the year		40,123	(8,415)
Total equity at the end of the financial year	9	<u>32,844</u>	<u>85,345</u>

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

Australian Business Industrial
Statement of Cash Flows for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from members		225,123	217,205
Payments to suppliers		(233,001)	(215,295)
Receipts from other reporting units/controlled entities		-	-
		(7,878)	1,910
Interest received	3D	94	969
Net cash inflow / (outflow) from operating activities	11	(7,784)	2,879
Net cash inflow / (outflow) from investing activities		-	-
Net cash inflow / (outflow) from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(7,784)	2,879
Cash and cash equivalents at beginning of the financial year		86,137	83,258
Cash and cash equivalents at end of the financial year	5A	78,353	86,137

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

1 Summary of significant accounting policies

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

(a) Basis of preparation

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

Historical cost convention

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

Comparative amounts

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

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

Critical judgements in applying the organisation's accounting policies

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

Key sources of estimation uncertainty

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

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

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

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue
- AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB 117 Leases.

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

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

(d) Fair value measurement

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

(e) Foreign currency

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

(f) Revenue recognition

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

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

(g) Cash and cash equivalents

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

(h) Trade and other payables

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

(i) Contract liabilities

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

(j) Goods and Services Tax (GST)

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

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

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

(k) Income tax

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

2 Financial risk management

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

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

a. Credit risk

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

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

The Organisation is exposed to a single debtor, i.e. NSW Business Chamber Ltd in 2020. The annual invoice to recover membership fee revenues was not raised until July 2020 and will be settled in August 2020.

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

Credit quality of financial assets held at balance date	2020 \$	2019 \$
Cash at bank		
- Westpac (Rated AA3 by Moody's Investors Service, Inc)	78,353	86,137
	<u>78,353</u>	<u>86,137</u>
Trade receivables	189,000	225,555
(Counterparties without external credit rating)	<u>189,000</u>	<u>225,555</u>
Trade receivables		

Past due but not impaired trade receivables

	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
As at 30 June 2020	189,000	-	-	-	189,000
Trade receivables	<u>189,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,000</u>
As at 30 June 2019	225,555	-	-	-	225,555
Trade receivables	<u>225,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,555</u>

b. Liquidity risk

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

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

Financial Liabilities	On Demand	<1 year	1-2 years	2-5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
As at 30 June 2020	152,601	-	-	-	-	152,601
Trade and other payables	152,601	-	-	-	-	152,601
As at 30 June 2019	227,267	-	-	-	-	227,267
Trade and other payables	227,267	-	-	-	-	227,267

	Note	2020 \$	2019 \$
3 Income			
3A Membership subscription		198,364	205,100
Sponsorship income		-	-
3B Capitation fees received		-	-
3C Levies		-	-
3D Interest		94	969
		<u>198,458</u>	<u>206,069</u>
Other income			
3E Grants or donations		-	-
		<u>198,458</u>	<u>206,069</u>
4 Expenses			
4A Employee expenses	18		
Employee expenses - holders of office		-	-
Employee expenses - other than office holders		-	-
Total employee expenses		-	-
4B Capitation fees		-	-
4C Affiliation fees		-	-
4D Administration expenses			
Consideration to employers for payroll deductions	17	-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		-	-
Conference and meeting expenses		1,799	1,945
Consultants		145,000	200,000
Travel expenses		87	1,644
Printing and stationery		707	2,320
Office expenses		740	1,027
Other		3,000	750
Total administration expenses		<u>151,333</u>	<u>207,686</u>
4E Grants or donations		-	-
Grants:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Donations:			
Total paid that were \$1,000 or less		-	-
Total paid that exceeded \$1,000		-	-
Total grants and donations		<u>-</u>	<u>-</u>

	Note	2020 \$	2019 \$
4F Legal costs - other legal matters	18	-	-
4G Penalties - via RO Act or RO Regulations		-	-

5 Current assets

5A Cash and cash equivalents

Cash at bank	78,353	86,137
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5B Trade and other receivables

Trade receivables	189,000	225,555
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Net trade receivables	189,000	225,555

Other receivables

Other receivables-NSWBC	43	-
GST receivable (net) from ATO	1,359	920
Total other receivables	1,402	920

Total trade and other receivables (net)

190,402	226,475
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6 Current liabilities

6A Trade payables

Trade payables and accruals	152,601	227,267
Payables to other reporting units	-	-
Total trade payables	152,601	227,267

6B Other payables

Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Other payables	-	-
Total other payables	-	-
Total trade and other payables	152,601	227,267

7 Contract liabilities

Deferred revenue membership	83,310	-
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8 Provisions

Employee provisions	-	-
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Note	2020	2019
	\$	\$

9 Retained profit

Movement in retained profits was as follows:

Balance at 1 July	85,345	93,760
Impact of adopting AASB15 - restated	(92,624)	-
Net profit / (loss) for the year	40,123	(8,415)
Balance at 30 June	32,844	85,345

10 Remuneration of auditors

PricewaterhouseCoopers Australian firm:

Audit of financial statements	7,002	6,798
Other services	-	-
Total remuneration of auditors	7,002	6,798

11 Reconciliation of operating activities

Surplus/(deficit) for the year	40,123	(8,415)
Change in operating assets and liabilities:		
Increase in trade and other debtors	36,073	12,105
Increase in trade and other payables	(74,666)	(410)
Decrease in contract liabilities and unbear income	(9,314)	(401)
Net cash used in operating activities	(7,784)	2,879

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

12 Related party disclosures

12A Transactions with NSW Business Chamber Limited

Revenue received for membership	189,000	205,050
Expenses paid for consulting, meeting, printing, stationary & office costs, audit fees	155,244	212,085
Amounts owed by NSWBC at 30/6/20	(189,043)	(225,555)
Amounts owed to NSWBC at 30/6/20	145,599	220,000

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at year end are unsecured and interest free and settlement occurs in cash. For the year ended 30 June 2020, the Organisation has not recorded any impairment of receivables relating to amounts owed by related parties (2019: \$NIL).

	Note	2020 \$	2019 \$
12B Key management personnel other remuneration			
President received remuneration from NSWBC for chairing the Workplace Relations Committee		9,783	9,592
Councillors		-	-

Terms and conditions of key personnel other remuneration

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

13 Administration of financial affairs by a third party

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

Revenue

Membership subscription	189,000	205,050
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Expenses

Conference and meeting expenses	1,799	1,945
Consultants	145,000	200,000
Printing and stationery	707	2,320
Office expenses	736	1,022
Audit fees	7,002	6,798
Total expenses	155,244	212,085

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

14 Organisation's details

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

15 On-going support

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

16 Acquisition of assets and or liabilities

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

17 Recovery of wages

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

18 Legal costs

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

19 Section 272 Fair Work (Registered Organisations) Act 2009

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

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

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

20 Events after the reporting period

There were no events that occurred after 30 June 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Organisation.

21 Payment to a former related party

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

Committee of Management Statement for the period ended 30 June 2020

On 23 September 2020 the members of the committee of management of Australian Business Industrial ("the Organisation") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2020.

The committee of management declares that in its opinion:

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

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



Kerry Wilson
Councillor

North Sydney
23 September 2020



Robert Kirkham
Councillor

Expenditure report required under subsection 255(2a) of the RO Act for the period ended 30 June 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

Categories of expenditure	2020	2019
	\$	\$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	151,333	207,686
Donations to political parties	-	-
Legal costs	-	-



Robert Kirkham
Councillor

North Sydney
23 September 2020



Independent auditor's report

To the members of Australian Business Industrial

Report on the audit of the financial report

Our opinion

In our opinion, in all material respects:

- the accompanying financial report present fairly, the financial position of Australian Business Industrial (the Registered Organisation) as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with
 - a) Australian Accounting Standards; and
 - b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- The Committee of Management's use of the going concern basis of accounting in the preparation of the Registered Organisation's financial statements is appropriate.

What we have audited

The financial report comprises:

- the Statement of Financial Position as at 30 June 2020
- the Statement of Comprehensive Income for the year then ended
- the Statement of Changes in Equity for the year then ended
- the Statement of Cash Flows for the year then ended
- the Notes to the financial statements, which include a summary of significant accounting policies
- the Committee of Management Statement, and
- the Expenditure Report as required under Subsection 255(2A) of the RO Act.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Other information

The committee of management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the committee of management for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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



Report on the Recovery of Wages Activity

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

Responsibilities

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

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Australian Business Industrial for the year ended 30 June 2020 included on Australian Business Industrial's web site. The directors of the Registered Organisation are responsible for the integrity of Australian Business Industrial's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'James McElvogue'.

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

Sydney
23 September 2020

Australian Business Industrial

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