



23 December 2019

Richard Evans
President
Australian Entertainment Industry Association

By e-mail:

Dear Sir

Re: – Australian Entertainment Industry Association - financial report for year ending 30 June 2019 (FR2019/190)

I refer to the financial report of the Australian Entertainment Industry Association. The documents were lodged with the Registered Organisations Commission (**ROC**) on 29 November 2019.

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

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2020 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

ABN 43 095 907 857

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Registered Office

**Level 1, 15-17 Queen Street
MELBOURNE VIC 3000**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

DESIGNATED OFFICERS CERTIFICATE

s. 268 Fair work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

FOR THE YEAR ENDED 30 JUNE 2019

I, Richard Evans, being the President of the Australian Entertainment Industry Association certify:

- that the documents lodged herewith are copies of the full report for the Australian Entertainment Industry Association for the Year ended 30 June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 06 November 2019; and
- that the full report was presented to a general meeting of members of the reporting unit on 28 November 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Richard Evans
President

28 November 2019

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**CATEGORIES OF EXPENDITURE
REPORT REQUIRED UNDER SUBSECTION 255(2A)**

FOR THE YEAR ENDED 30 JUNE 2019

The Executive Council presents the expenditure report as required under subsection 255(2A) on Australian Entertainment Industry Association for the year ended 30 June 2019.

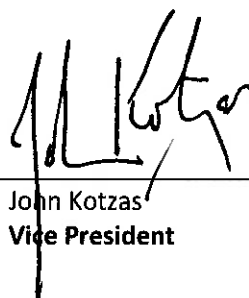
Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	1,316,607	1,202,469
Advertising	-	-
Operating costs	359,573	347,806
Donations to political parties	2,800	-
Legal costs	11,205	11,530

Signed in accordance with a resolution of the Councillors.



Richard Evans
President

24 October 2019



John Kotzas
Vice President

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

OFFICER DECLARATION STATEMENT

I, Richard Evans, being the President of Australian Entertainment Industry Association, declare that the following activities did not occur during the reporting period ending 30 June 2019.

Australian Entertainment Industry Association did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- 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
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Richard Evans

President

24 October 2019

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COUNCILLORS' OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2019

Your Councillors submit the financial report of the Australian Entertainment Industry Association for the year ended 30 June 2019.

REVIEW OF PRINCIPAL ACTIVITIES, THE RESULTS OF THOSE ACTIVITIES AND ANY SIGNIFICANT CHANGES IN THE NATURE OF THOSE ACTIVITIES DURING THE YEAR

The principal activities of the Association during the financial year were:

- ◆ The provision of benefits and support to Members in the areas of industrial relations, human resource services, policy and a broad range of other industry related issues.
- ◆ In 2018-19 AEIA undertook 8 major initiatives. These include: detailed submissions to the Fair Work Commission regarding award modernisation; national education and training program to implement industry Code to prevent workplace discrimination, harassment, sexual harassment and bullying; secondary ticket market: government submissions and advocacy regarding proposed 'anti-scalping' legislation; targeted advocacy campaign to reopen the Theatre Royal in Sydney; developed Consultation Guidelines re engaging international performers for major commercial musical productions; advocacy to change the music festival regulatory framework in NSW; established a Digital Working Group to examine digital content and broadcasting issues; and celebrated the industry's achievements through presenting the 2019 Helpmann Awards for the first time in Melbourne.
- ◆ These major initiatives have resulted in:
 - ◆ Membership base remains strong, diverse and national
 - ◆ Members' interests represented in review of modern awards
 - ◆ Training and implementation of an industry Code and member resources to support safe and respectful workplaces
 - ◆ NSW Government commitment to reopen Theatre Royal
 - ◆ Legislative changes with respect to the secondary ticket market
 - ◆ NSW regulation committee inquiry into music festival regulations
 - ◆ Raised profile of live performance industry and the association nationally.

SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS

There are no other significant changes in the nature of the Association's principal activities during the financial year.

OPERATING RESULTS

The net result for the year amounted to a loss \$67,491 (2018: profit \$7,919).

There have been no significant changes in the financial affairs of the association.

RIGHT OF MEMBERS TO RESIGN

Under section 174 of the *Fair Work (Registered Organisations) Act 2009* members have the right to resign from Australian Entertainment Industry Association by providing written notice.

Under AEIA's Rules – Rule 11 Resignation of members:

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

- (a) A Member may resign from membership of the Association by written notice addressed and delivered to the Chief Executive.
- (b) A notice of resignation from membership takes effect:
 - (i) where a Member ceases to be eligible to be a Member of the Association – on the date the notice is received by the Association or the day specified in the notice (being a date after the date on which the Member ceased to be eligible to be a Member of the Association); or
 - (ii) in all other cases – on the date specified in the notice or if no date is specified, 2 weeks after the notice is received by the Association.
- (c) Any amount owed by a former Member to the Association in relation to the period before the Member's resignation takes effect will remain due and payable by the former Member. The amount owing may be sued for and recovered in the name of the Association in a court of competent jurisdiction as a debt due to the Association.
- (d) A notice delivered to the Chief Executive in accordance with Rule 11(a) is taken to have been received by the Association when it was delivered to the offices of the Association.
- (e) A notice of resignation that the Association receives at its registered office will be valid, even if it is not addressed and delivered to the Chief Executive.
- (f) A resignation from membership of the Association is valid even if it is not made in accordance with this Rule if the Member is informed in writing by or on behalf of the Association that the resignation has been accepted.
- (g) If a Member resigns with outstanding amounts due to the Association and subsequently seeks to re-join the Association without having paid the amounts due, the Person must pay the Association the outstanding amounts due in full before that Person will be eligible to become a Member of the Association again.

NUMBER OF MEMBERS

As at 30 June 2019 the Association had 409 members (2018: 414 members).

NUMBER OF EMPLOYEES

Number of Employees 10, (2018: 10).

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

COMMITTEE OF MANAGEMENT - EXECUTIVE COUNCILLORS

The names of the Councillors during the year and up to the date of this report are:

T Brookman *	M O'Connor *
A Budd *	R Pilbeam *
L Campbell *	M Smith *
M Coppel *	L Withers *
S Donnelly *	F Winning *
R Evans *	
D Gautier *	J Vince (appointed 28/03/2019)
J Kotzas *	
P McIntyre *	M Cassel (resigned 31/07/2018)
L McLean *	A Kay (resigned 22/11/2018)
S McGrath *	

*All held office for the full Financial Year

INDEMNIFYING OFFICERS, EXECUTIVES OR AUDITORS

The Association has obtained insurance in respect of councillors, officers and executives against all liabilities to other persons that may arise from their positions as councillors, officers or executives. A premium of \$13,576 (2018: \$13,783) has been paid for this insurance.

The Association has not during or since the end of the financial year, in respect of an auditor of the Association:

- ♦ Indemnified or made any relevant agreement for indemnifying a liability, including costs and expenses in successfully defending legal proceedings; or
- ♦ Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

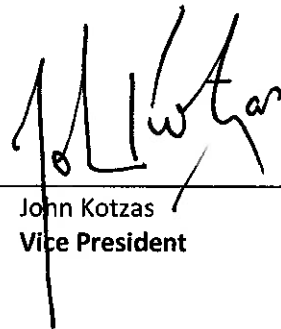
No other officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Signed in accordance with a resolution of the Councillors.



Richard Evans
President

24 October 2019



John Kotzas
Vice President

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

EXECUTIVE COUNCIL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

On 24 October 2019 the Executive Councillors of AEIA passed the following resolution in relation to the general purpose Financial report (GPFR) for the year ended 30 June 2019.

The Executive Council declares that in its opinion:

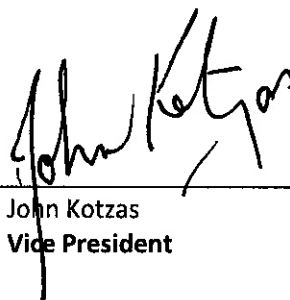
- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of AEIA 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; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the Executive Council were held in accordance with the rules of the Association; and
 - ii. the financial affairs of AEIA have been managed in accordance with the rules of the Association; and
 - iii. the financial records of AEIA 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 AEIA or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - v. where any order for inspection of financial records has been made by the Fair Work Commission under Section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Executive Councillors and is signed for and on behalf of the Councillors by:



Richard Evans
President

24 October 2019



John Kotzas
Vice President

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription *		502,626	496,296
Interest	3A	19,590	18,603
Helpmann Awards		658,281	600,885
Other revenue	3B	1,580,064	1,396,623
Total Revenue		2,760,561	2,512,407
Other Income			
Grants and/or donations*		-	-
Revenue from recovery of wages activity *		-	-
Total Other Income		-	-
Total Income		2,760,561	2,512,407
Expenses			
Employee expenses	4A	1,357,524	1,239,814
Administration expenses	4B	698,527	570,108
Depreciation and amortisation	4C	37,547	26,755
Legal costs	4D	11,205	11,530
Audit fees	14	17,254	16,751
Grants and/or donations *	4E	2,800	-
Other expenses *	4F	-	-
Helpmann Awards		703,195	639,530
Total expenses		2,828,052	2,504,488
(Deficit)/ Surplus for the year		(67,491)	7,919
Income tax expense		-	-
(Deficit)/ Surplus after Income Tax Expense		(67,491)	7,919
Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the Year		(67,491)	7,919

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5A	1,422,740	1,338,886
Trade and other receivables *	5B	303,972	349,411
Other current assets	5C	210,673	204,735
TOTAL CURRENT ASSETS		1,937,385	1,893,032
NON-CURRENT ASSETS			
Office equipment	6A	33,519	14,664
Furniture and fittings	6B	4,770	3,181
Intangibles	6C	81,672	51,889
TOTAL NON-CURRENT ASSETS		119,961	69,734
TOTAL ASSETS		2,057,346	1,962,766
CURRENT LIABILITIES			
Trade payables *	7A	208,048	193,161
Other payables *	7B	1,161,015	1,035,344
Employee provisions	8A	202,342	173,144
TOTAL CURRENT LIABILITIES		1,571,405	1,401,649
NON-CURRENT LIABILITIES			
Employee provisions	8A	15,800	23,485
Other non-current liabilities *	9A	-	-
TOTAL NON-CURRENT LIABILITIES		15,800	23,485
TOTAL LIABILITIES		1,587,205	1,425,134
NET ASSETS		470,141	537,632
MEMBERS' EQUITY			
General funds	10A	120,000	120,000
Retained earnings		350,141	417,632
TOTAL MEMBERS' EQUITY		470,141	537,632

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	General Funds \$	Retained Earnings \$	Total Equity \$
Balance as at 01 July 2017	120,000	409,713	529,713
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Surplus for the year	-	7,919	7,919
Other comprehensive income for the year	-	-	-
Transfer to/from Legal expense reserve	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2018	<u>120,000</u>	<u>417,632</u>	<u>537,632</u>
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Deficit for the year	-	(67,491)	(67,491)
Other comprehensive income for the year	-	-	-
Transfer to/from Legal expense Reserve	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2019	<u>120,000</u>	<u>350,141</u>	<u>470,141</u>

The above Statement should be read in conjunction with the notes.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Cash received			
Receipts from other reporting units/ controlled entity(s) *		-	-
Receipts from members and non members		2,969,771	2,591,791
Interest received		<u>19,734</u>	<u>18,559</u>
Cash Used			
Payment to other reporting units/controlled entity(s) *		-	-
Payments to suppliers and employees		<u>(2,817,876)</u>	<u>(2,621,969)</u>
Net Cash (Used)/ Provided by Operating Activities	11	<u>171,629</u>	<u>(11,620)</u>
Cash Flows From Investing Activities			
Cash Used			
Purchase of Property, Plant and Equipment	6A, 6B	(30,376)	(13,475)
Purchase of Website	6C	<u>(57,399)</u>	<u>(43,080)</u>
Net Cash Used In Investing Activities		<u>(87,775)</u>	<u>(56,555)</u>
Net Increase/ (Decrease) in Cash Held		<u>83,854</u>	<u>(68,175)</u>
Cash & cash equivalents the beginning of the financial year		1,338,886	1,407,061
Cash & cash equivalents at the end of the Financial Year	5A	<u>1,422,740</u>	<u>1,338,886</u>

The above Statement should be read in conjunction with the notes.

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

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AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of the Financial Statements

The Australian Entertainment Industry Association (AEIA) is an incorporated association, incorporated and domiciled in Australia. AEIA's principal activities are the provision of benefits and support to its members in the areas of industrial relations, human resource services and a broad range of other issues.

The registered office and principal place of business is Level 1, 15-17 Queen Street, Melbourne, Victoria. The financial statements are presented in Australian dollars, rounded to the nearest \$1.

The financial report was authorised for issue by the Executive Council of AEIA on the date shown on the Executive Council Statement attached to the Financial Statements.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*.

The financial report has been prepared on a going concern and an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

AEIA is considered to be a Not for Profit entity and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting Standards.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1.2 Comparative Figures

Comparatives have been reclassified where necessary so as to be consistent with the figures presented in the current financial year.

1.3 Significant Accounting Judgements and Estimates

There are no key accounting assumptions or estimates that have been identified that have a significant risk.

1.4 New Australian Accounting Standards

New or amended Accounting Standards and Interpretations adopted

AASB 9 Financial Instruments

The entity has adopted AASB 9 from 01 July 2018 using the modified retrospective approach and as such, comparatives have not been restated. There was no impact on opening retained earnings as at 1 July 2018.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contracted cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income (OCI).

Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

At the date of approving the financial report, the following Australian Accounting Standards and Interpretations relevant to Australian Entertainment Industry Association have recently been issued or amended but are not yet mandatory, have not been early adopted by Australian Entertainment Industry Association for the period ended 30 June 2019.

Standard/ Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	01 January 2019	30 June 2020
AASB 1058 'Income of Not-For-Profit Entities'	01 January 2019	30 June 2020
AASB 16 'Amendments to Australian Accounting Standards – Leases'	01 January 2019	30 June 2020

AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This will result in almost all leases being recognised on the statement of financial position by lessees, as an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exception are short-term and low value leases.

The Executive Council anticipates that the adoption of AASB 16 will have a material effect on the associations' financial statements by recognising all currently unbooked operating leases on the balance sheet as a right to use asset and associated lease liability.

Other than the effects discussed above, the Executive Council does not expect any significant amendments to the measurement or presentation as a result of the above amendments to standards and interpretations.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Memberships are generally for a period of twelve months from July to June. The membership fees are invoiced a month prior to 01 July each year and Membership Fee income is recognised in equal monthly instalments over the twelve month period ending June in the year to which it relates.

Revenue from Helpmann Awards is from Sponsorships, Ticket sales, Award entry fees. Income is recognised against the specific Helpmann Awards ceremony held.

Industry Service Fee revenue is paid by Members and Non-Members dependant on the shows/ events held during the financial year. A fee is charged for each show held. Income is recognised as invoices are raised on a monthly basis.

1.6 Government Grants

Government grants are not recognised until there is reasonable assurance that AEIA will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which AEIA recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to AEIA with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. These are recorded as current Liabilities.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date. These are recorded as non-current Liabilities.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

1.9 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property, and operating leases under which the lessor effectively retains all such risks and benefits.

Where fixed assets are acquired by means of finance leases, the present value of minimum lease payments, including any guaranteed residual value, are established as assets at the beginning of the lease term and are amortised on a straight line basis over their expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense.

Operating lease payments are charged to expense on a basis which is representative of the pattern of benefits derived from the leased property.

Payments under a non-cancellable operating lease for surplus leased space are recognised as a liability and expense when it is probable that a loss will be incurred. The amount recognised is the total expected outlay, net of sub-lease revenue, discounted at the interest rate implicit in the lease.

1.10 Cash

Cash is recognised at its nominal value. Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term liquid investments.

1.11 Impairment

The collectability of debts is assessed at year-end and allowance is made if required for any expected credit losses.

1.12 Trade and Other Receivables

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

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

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

1.13 Trade and Other Payables

Accounts payable represent the principal amounts outstanding at reporting date plus, when applicable, any accrued interest.

1.14 Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Councillors to ensure it is not in excess of the recoverable amount from the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

1.15 Depreciation and Amortisation

Items of property plant and equipment are depreciated using the straight line method over their useful lives.

The depreciation rates used for each class of asset are as follows:

	2019	2018
- Office Equipment	1 to 5 years	1 to 5 years
- Furniture and Fittings	4 to 10 years	4 to 10 years

1.16 Intangibles

Trademarks

Trademarks are stated at cost and are not amortised as the Councillors believe they have an indeterminate life and are not expected to diminish in value over time. The carrying amounts of the trademarks are reviewed at the end of each accounting period to ensure they are not valued in excess of their recoverable amounts.

Websites

AEIA Members' website is initially measured at cost. Following initial recognition it is carried at cost less accumulated amortisation and any accumulated impairment losses.

The website is amortised over a useful life of three years.

1.17 Impairment of Non-Financial Assets

At each reporting date the Association reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Councillors are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

1.18 Taxation

AEIA is exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

1.19 Investment in Associates, Business Combinations

There were no investments in Associates, or any Business Combinations during the Year ended 30 June 2019.

Note 2 EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of the affairs of the Association in future financial reports.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 3 INCOME

	2019	2018
	\$	\$
3A. Interest		
Deposits	19,590	18,603
Total Interest	19,590	18,603
3B. Other Revenue		
Industry Service Fee	1,493,443	1,346,303
Other	86,621	50,320
Total Other Revenue	1,580,064	1,396,623

Note 4 EXPENSES

4A. Employee Expenses *

Holders of office:

Wages and Salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

Wages and Salaries	1,173,910	1,091,597
Superannuation	108,060	95,884
Leave and other entitlements	21,513	2,419
Separation and redundancies	-	-
Other employee expenses	54,041	49,914
Subtotal employee expenses employees other than office holders	1,357,524	1,239,814
Total Employee Expenses	1,357,524	1,239,814

4B. Administration Expenses

Total paid to employers for payroll deductions of membership subscriptions *	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting Expenses	-	3,000
Meeting Expenses - Executive Council	20,393	15,354
Meeting Expenses - Annual General Meeting	1,316	600
Meeting Expenses - Members Forum	32,570	35,209
Rent	97,325	94,263
Other Expenses	546,923	421,682
Total Administration Expenses	698,527	570,108

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

	2019	2018
	\$	\$
4C. Depreciation and Amortisation		
Depreciation		
Office equipment	6,685	4,454
Furniture & Fittings	3,246	3,124
Total Depreciation	<u>9,931</u>	<u>7,578</u>
Amortisation		
Intangibles	27,616	19,177
Total Amortisation	<u>27,616</u>	<u>19,177</u>
Total Depreciation and Amortisation	<u><u>37,547</u></u>	<u><u>26,755</u></u>
4D. Legal Costs *		
Litigation	-	-
Other legal general matters	11,205	11,530
Total Legal Costs	<u><u>11,205</u></u>	<u><u>11,530</u></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 - (paid to Australian Festival Association)	2,800	-
Total Grants or Donations	<u><u>2,800</u></u>	<u><u>-</u></u>
4F. Other Expenses		
Penalties – via RO Act or the <i>Fair Work Act 2009</i> *	-	-
Total Other Expenses	<u><u>-</u></u>	<u><u>-</u></u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 5 CURRENT ASSETS

5A. Cash and Cash Equivalents	2019	2018
	\$	\$
Cash at Bank	686,093	611,283
Cash on Hand	200	200
Short-term Deposit	736,447	717,403
Rent Guarantee – Term Deposit	-	10,000
Total Cash and Cash Equivalents	<u>1,422,740</u>	<u>1,338,886</u>

The short term deposits mature on 07 November 2019 (\$369,892) and 15 December 2019 (\$366,555). The effective interest rate on the short-term deposits are 2.35% (2018: 2.57%) and 2.2% (2018: 2.48%) respectively.

5B. Trade and Other Receivables (Current)

Net Receivables from Other Reporting Unit(s) *	<u>-</u>	<u>-</u>
Other Receivables		
Trade Debtors	308,972	368,914
Allowance for expected credit losses	(5,000)	(19,503)
Net Total Other Receivables	<u>303,972</u>	<u>349,411</u>
Total Trade and Other Receivables	<u>303,972</u>	<u>349,411</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 01 July	19,503	19,503
Provision not required	(14,503)	-
Amounts Written off	-	-
Amounts Recovered	-	-
At 30 June	<u>5,000</u>	<u>19,503</u>

5C. Other Current Assets

Helpmann Awards prepaid expenses	177,725	180,031
Other prepaid expenses	32,948	24,704
Total Other Current Assets	<u>210,673</u>	<u>204,735</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 6 NON-CURRENT ASSETS

	2019	2018
	\$	\$
6A. Office Equipment		
Office Equipment - At Cost	78,347	52,807
Less: Accumulated Depreciation	<u>(44,828)</u>	<u>(38,143)</u>
Total Office Equipment	<u><u>33,519</u></u>	<u><u>14,664</u></u>

Reconciliation of the Opening and Closing Balances of Office Equipment

As at 01 July 2018

Gross book value	52,807	49,665
Accumulated depreciation	<u>(38,143)</u>	<u>(44,022)</u>
Net book value 01 July 2018	<u>14,664</u>	<u>5,643</u>
Additions	25,541	13,475
Depreciation expense	(6,685)	(4,454)
Disposals	-	-
Transfers	<u>-</u>	<u>-</u>
Net book value 30 June 2019	<u>33,519</u>	<u>14,664</u>

Net book value as of 30 June 2019 represented by:

Gross book value	78,347	52,807
Accumulated depreciation	<u>(44,828)</u>	<u>(38,143)</u>
Net book value 30 June 2019	<u>33,519</u>	<u>14,664</u>

6B. Furniture and Fittings

Furniture and Fittings - At Cost	40,579	35,744
Less: Accumulated Depreciation	<u>(35,809)</u>	<u>(32,563)</u>
Total Furniture and Fittings	<u>4,770</u>	<u>3,181</u>

Reconciliation of the Opening and Closing Balances of Furniture and Fittings

As at 01 July 2018

Gross book value	35,744	35,744
Accumulated depreciation	<u>(32,563)</u>	<u>(29,439)</u>
Net book value 01 July 2018	<u>3,181</u>	<u>6,305</u>
Additions	4,835	-
Depreciation expense	(3,246)	(3,124)
Disposals	-	-
Transfers	<u>-</u>	<u>-</u>
Net book value 30 June 2019	<u>4,770</u>	<u>3,181</u>

Net book value as of 30 June 2019 represented by:

Gross book value	40,579	35,744
Accumulated depreciation	<u>(35,809)</u>	<u>(32,563)</u>
Net book value 30 June 2019	<u>4,770</u>	<u>3,181</u>

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

6C. Intangibles	2019	2018
	\$	\$
Trademarks – At Cost	<u>4,630</u>	<u>4,630</u>
Website – At Cost	265,508	208,110
Less: Accumulated Amortisation - Website	(188,466)	(160,851)
Total Website	<u>77,042</u>	<u>47,259</u>
Total Website and Trademarks	<u>81,672</u>	<u>51,889</u>

Reconciliation of the Opening and Closing Balances of Website

As at 01 July 2018		
Gross book value	208,110	165,030
Accumulated amortisation	(160,851)	(141,674)
Net book value 01 July 2018	<u>47,259</u>	<u>23,356</u>
Additions	57,399	43,080
Amortisation expense	(27,616)	(19,177)
Disposals	-	-
Transfers	-	-
Net book value 30 June 2019	<u>77,042</u>	<u>47,259</u>
Net book value as of 30 June 2019 represented by:		
Gross book value	265,508	208,110
Accumulated amortisation	(188,466)	(160,851)
Net book value 30 June 2019	<u>77,042</u>	<u>47,259</u>

Note 7 CURRENT LIABILITIES

7A. Trade Payables		
Non-Interest Bearing		
Trade creditors	110,664	102,229
Accruals	97,384	90,932
Subtotal Trade Creditors and Accruals	<u>208,048</u>	<u>193,161</u>
Payables to Other Reporting Unit(s)	-	-
Subtotal Payables to Other Reporting Unit(s)	<u>-</u>	<u>-</u>
Total Trade Payables	<u>208,048</u>	<u>193,161</u>

Settlement is usually made within 30 days.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

7B. Other Payables	2019	2018
	\$	\$
Wages and Salaries	-	-
Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions *	-	-
Legal costs - Litigation*	-	-
Legal costs – Other legal costs *	-	-
Prepayments received/ unearned revenue	1,066,934	938,319
GST payable	92,959	82,200
Other	1,122	14,825
Total Other Payables	<u><u>1,161,015</u></u>	<u><u>1,035,344</u></u>
Total other payables are expected to be settled in:		
No more than 12 months	1,161,015	1,035,344
More than 12 months	-	-
Total Other Payables	<u><u>1,161,015</u></u>	<u><u>1,035,344</u></u>
Note 8 PROVISIONS		
8A. Employee Provisions*		
Office holders *		
Annual Leave	-	-
Long Service Leave	-	-
Separation and Redundancies	-	-
Superannuation	-	-
Other Employee Provisions	-	-
Subtotal Employee Provisions – Office holders *	<u><u>-</u></u>	<u><u>-</u></u>
Employees other than Office holders		
Annual Leave	55,665	55,533
Long Service Leave	162,477	141,096
Separation and Redundancies	-	-
Superannuation	-	-
Other Employee Provisions	-	-
Subtotal Employee Provisions – Employees other than Office holders	<u><u>218,142</u></u>	<u><u>196,629</u></u>
Total Employee Provisions	<u><u>218,142</u></u>	<u><u>196,629</u></u>
Current	202,342	173,144
Non-current	15,800	23,485
Total Employee Provisions	<u><u>218,142</u></u>	<u><u>196,629</u></u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 9 NON-CURRENT LIABILITIES

	2019	2018
	\$	\$
9A. Other Non-Current Liabilities *		
Other Non-Current Liabilities	-	-
Total Other Non-Current Liabilities	<u>-</u>	<u>-</u>

Note 10 MEMBERS EQUITY

10A. General Funds

Legal Expense Reserve		
Balance at start of year	120,000	120,000
Transferred to reserve	-	-
Transferred from Reserve	-	-
Balance as at end of year	<u>120,000</u>	<u>120,000</u>

Note 11 STATEMENT OF CASH FLOWS

11A. Cash Flow Reconciliation

Reconciliation of Cash and Cash Equivalents as per Statement of Financial Position to Cash Flow Statement:

Cash and Cash Equivalents as per:		
Statement of Cash Flows	1,422,740	1,338,886
Statement of Financial Position	<u>1,422,740</u>	<u>1,338,886</u>
Difference	<u>-</u>	<u>-</u>

* As required by the reporting Guidelines. Item to remain even if 'nil'.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 11 STATEMENT OF CASH FLOWS (Cont'd)

	2019	2018
	\$	\$
Reconciliation of profit to net cash from operating activities:		
(Deficit)/ Surplus for the year	(67,491)	7,919
Adjustments for non-cash items		
Depreciation of Property, Plant & Equipment	9,931	7,578
Amortisation of Intangibles	27,616	19,177
Gain on Disposal of Assets	-	-
Changes in Assets and Liabilities		
Decrease/ (Increase) in trade and other receivables	59,941	(13,729)
(Decrease) in allowance for expected credit losses	(14,503)	-
(Increase)/ Decrease in other assets	(5,937)	37,086
Increase / (Decrease) in trade and other payables	154,261	(96,693)
Increase in employee provisions	7,811	27,042
Net Cash Provided/ (used in) by Operating Activities	171,629	(11,620)

Note 12 CONTINGENT LIABILITIES AND COMMITMENTS

12A. Lease Commitments

Non-Cancellable Operating Leases Payable:	-	-
Premises Rental (excl GST)		
Payable no later than one year	106,851	103,445
Payable later than one year but not later than five years	110,561	217,785
Total Lease Commitments	217,412	321,230

12B. Contingent Liabilities

AEIA maintains a security deposit of \$10,000 as part of the lease agreement of the office premises at 15-17 Queen Street, Melbourne.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 13 RELATED PARTY DISCLOSURES

13A. Related Party Transactions - Executive Councillors

Related Party Transactions

The following related party transactions occurred during the financial year:

Revenue received from:

All Executive Councillors' Organisations pay a membership subscription fee at the standard commercial rates set for the membership.

Expenses paid to:	2019	2018
	\$	\$
D Gautier – CEO, Adelaide Festival Centre - for Venue Hire/ Catering.	1,298	698
J Kotzas – Chief Executive, Queensland Performing Arts Centre - for Venue Hire/ Catering/ Audio staging.	8,905	3,285
F Winning – Head of Programming – Sydney Opera House Trust – for Venue hire/ Catering/ Audio staging.	5,708	6,955
P McIntyre - Executive Director – Sydney Theatre Company – for Venue hire/ Catering.	882	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Australian Entertainment Industry Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$Nil).

No members of the Executive Council received any remuneration for services as Executive Councillors.

No employee provisions have been made for any Executive Councillor / Office holders.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

13B. Key Management Personnel Remuneration

	2019	2018
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	241,552	228,026
Annual leave accrued	-	8,299
Performance Bonus	5,476	-
Total Short-term employee benefits	<u>247,028</u>	<u>236,325</u>
Post-employment benefits		
Superannuation	20,307	16,499
Total post-employment benefits	<u>20,307</u>	<u>16,499</u>
Other long-term benefits		
Long service leave	58,616	52,750
Total Other long-term benefits	<u>58,616</u>	<u>52,750</u>
Total Key Management Personnel Remuneration	<u><u>325,951</u></u>	<u><u>305,574</u></u>

Note 14 REMUNERATION OF AUDITORS

Financial statement audit services	17,254	16,751
Other services	-	-
Total Remuneration of Auditors	<u><u>17,254</u></u>	<u><u>16,751</u></u>

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 15 FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise receivables, payables, cash, and short-term deposits. These activities expose the Association to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Although the Association does not have documented policies and procedures, the Councillors manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

15A. Categories of Financial Instruments

The Association holds the following financial instruments:

	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents	1,422,740	1,338,886
Trade and other receivables	<u>303,972</u>	<u>349,411</u>
Total Financial Assets	<u>1,726,711</u>	<u>1,688,297</u>
Financial Liabilities		
Trade and other payables	<u>1,369,063</u>	<u>1,228,505</u>
Total Financial Liabilities	<u>1,369,063</u>	<u>1,228,505</u>
Net exposure	<u><u>357,648</u></u>	<u><u>459,792</u></u>

15B. Risk Exposure and Responses

Market risk

The Association's exposure to market interest rates relates primarily to the entity's short term deposits held. The effect of volatility of interest rates within expected reasonable possible movements would not be material.

Price risk

The Association's exposure to commodity and equity securities price risk is minimal.

Liquidity Risk

The Association manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Association trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the entity's policy to securitise its trade and other receivables.

It is the Association's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

15C. Maturities of Financial Assets and Liabilities

The table below analyses the Association's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Year ended 30 June 2019	< 6 months	6 – 12 months	1 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial assets					
Bank	1,422,740	-	-	-	1,422,740
Trade and other receivables	303,972	-	-	-	303,972
Total Financial assets	1,726,711	-	-	-	1,726,711
Financial liabilities					
Trade and other payables	1,090,441	278,622	-	-	1,369,063
Total Financial liabilities	1,090,441	278,622	-	-	1,369,063
Net maturity	636,270	(278,622)	-	-	357,648

AUSTRALIAN ENTERTAINMENT INDUSTRY ASSOCIATION

Notes to the financial statements for year ended 30 June 2019

Note 16 FAIR VALUE MEASUREMENT

Note 16A: Financial Assets and Liabilities

Management of AEIA assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Note 17 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or Commissioner:

- (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) This 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).

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Entertainment Industry Association

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Entertainment Industry Association (the reporting unit), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of Australian Entertainment Industry Association, presents fairly, in all material respects the reporting unit's financial position as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

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

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

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

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



Responsibilities of the Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has 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 this financial report.

- As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 Reporting Unit'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 my 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 Reporting Unit 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit. This description forms part of our auditor's report.

Declaration by the auditor

I, James Mooney, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney'. Above the signature, the letters 'BDO' are written in a stylized, cursive font.

James Mooney
Partner

Melbourne, 24 October 2019

Registration number: AA2017/65