FairWork Commission

17 December 2015

Mr James Ingram
National Secretary-Treasurer
The Australian Industry Group
51 Walker Street
NORTH SYDNEY NSW 2060

via email: johnt@aigroup.asn.au

Dear Mr Ingram

The Australian Industry Group Financial Report for the year ended 30 June 2015 - [FR2015/98]

I acknowledge receipt of the financial report of the Australian Industry Group (the reporting unit). The documents were lodged with the Fair Work Commission (FWC) on 8 December 2015.

The financial report has now been filed.

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

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

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

Other

Activities under Reporting Guidelines not disclosed

The operating report of the reporting unit provides statements in relation to the 'nil' disclosure of items required under the reporting guidelines. Please note that in future years, the 'nil' items must be individual disclosed to ensure the information being provided to members is meaningful.

Reporting Requirements

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

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

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

FAIR WORK AUSTRALIA

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

Designated Officer's Certificate
For the year ended 30 June 2015

I, Noel Cornish, National President of The Australian Industry Group (the Organization) certify in accordance with section 268 of the *Fair Work (Registered Organisations) Act* 2009 (the Act):

(1) that the document lodged herewith is a copy of the full financial report of the Organization comprising the auditor's report, the general purpose financial report to which the auditor's report relates and the operating report to which the auditor's report relates, in relation to the financial year ending 30 June,2015 ; and

(2) that the full financial report was provided to Members of the Organization on 30 October 2015 ; and

(3) that the full financial report was presented to the Annual General Meeting of Members of the Organization (as the sole reporting unit) on 25 November 2015 in accordance with , section 266 of the Act.

.... 7/12/15 ....

Noel Cornish
National Prsident

Date

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

Reference: Jenifer Leuba
General Counsel
Jenifer.Leuba@aigroup.com.au
03 98670174

The Australian Industry Group
Financial statements – 30 June 2015

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These financial statements are the consolidated financial statements of the consolidated entity consisting of The Australian Industry Group and its subsidiaries. The financial statements are presented in the Australian currency.

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

The Australian Industry Group
51 Walker Street
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities is included in the operating report on pages 37 to 39, which is not part of these financial statements.

The financial statements were authorised for issue by the committee of management on 19 August 2015. The committee of management have the power to amend and reissue the financial statements.

The Australian Industry Group
Income statements
For the year ended 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $	Parent entity 2015 $	Parent entity 2014 $
Revenue from continuing operations	3	**70,200,302**	83,269,691	**45,541,167**	48,641,174
Other income	4	**1,822,413**	3,073,376	**1,822,413**	3,073,376
Employee benefits expense	5	**(51,933,495)**	(63,364,739)	**(30,572,497)**	(32,570,794)
Depreciation and amortisation expenses	5	**(1,806,393)**	(2,512,906)	**(1,644,285)**	(2,324,950)
Communication expenses	5	**(6,117,719)**	(6,426,476)	**(5,656,741)**	(5,946,132)
Other expenses	5	**(10,447,729)**	(10,362,953)	**(9,039,875)**	(8,479,858)
Surplus from continuing operations		**1,717,379**	3,675,993	**450,182**	2,392,816
Transfer of surplus from Australian Industry Group Training Services Trust	22	**-**	-	**776,139**	892,059
Transfer of surplus from Ai Group Legal Unit Trust		**-**	-	**491,058**	391,119
Surplus from continuing operations after transfer of surplus from Australian Industry Group Training Services Trust and the Ai Group Legal Unit Trust	17(b), 22	**1,717,379**	3,675,993	**1,717,379**	3,675,994

The above income statements should be read in conjunction with the accompanying notes.

The Australian Industry Group
Statements of comprehensive income
For the year ended 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $	Parent entity 2015 $	Parent entity 2014 $
Surplus/(deficit) from continuing operations after transfer of surplus from Australian Industry Group Training Services Trust and the Ai Group Legal Unit Trust	17(b), 22	**1,717,379**	3,675,993	**1,717,379**	3,675,993
Other comprehensive income					
Gain / (Loss) on revaluation of land and buildings	17(a)	**872,938**	489,730	**872,938**	489,730
Remeasurements - gain on defined benefit obligation / asset recognised during the year	17(b)	**31,445**	21,824	**31,445**	21,824
Other comprehensive income for the year		**904,383**	511,554	**904,383**	511,554
Total comprehensive income for the year		**2,621,762**	4,187,547	**2,621,762**	4,187,547

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

The Australian Industry Group
Balance sheets
As at 30 June 2015

	Notes	Consolidated		Parent entity	
		2015	2014	**2015**	2014
		$	$	**$**	$
ASSETS					
Current assets					
Cash and cash equivalents	6	**20,737,918**	26,513,607	**19,913,425**	26,311,390
Trade and other receivables	7	**20,089,121**	22,295,056	**19,021,552**	20,289,955
Other financial assets at fair value through profit or loss	8	**34,547,861**	32,927,265	**34,547,861**	32,927,265
Total current assets		**75,374,900**	81,735,928	**73,482,838**	79,528,610
Non-current assets					
Other financial assets	9	**6**	6	**19**	19
Property, plant and equipment	10a	**22,207,337**	22,021,359	**21,941,449**	21,632,540
Intangible assets	10b	**2,527,355**	1,097,245	**2,527,355**	1,097,245
Total non-current assets		**24,734,698**	23,118,610	**24,468,823**	22,729,804
Total assets		**100,109,598**	104,854,538	**97,951,661**	102,258,414
LIABILITIES					
Current liabilities					
Trade and other payables	11	**7,082,870**	8,540,785	**6,109,715**	7,341,764
Deferred income	12	**18,274,144**	23,582,591	**18,274,144**	23,582,591
Provisions	13	**4,997,967**	5,362,907	**3,899,640**	4,065,585
Total current liabilities		**30,354,981**	37,486,283	**28,283,499**	34,989,940
Non-current liabilities					
Other payables	14	**102,261**	53,438	**102,261**	53,438
Provisions	15	**850,726**	799,643	**764,271**	699,862
Retirement benefit obligation	16	**-**	335,306	**-**	335,306
Total non-current liabilities		**952,987**	1,188,387	**866,532**	1,088,606
Total liabilities		**31,307,968**	38,674,670	**29,150,031**	36,078,546
Net assets		**68,801,630**	66,179,868	**68,801,630**	66,179,868
MEMBERS' FUNDS					
Reserves	17(a)	**12,326,477**	11,453,539	**12,326,477**	11,453,539
Retained earnings	17(b)	**56,475,153**	54,726,329	**56,475,153**	54,726,329
Total members' funds		**68,801,630**	66,179,868	**68,801,630**	66,179,868

The above balance sheets should be read in conjunction with the accompanying notes.

The Australian Industry Group
Statements of changes in members' funds
For the year ended 30 June 2015

Consolidated	Notes	**Reserves** **$**	**Retained earnings** **$**	**Total** **$**
Balance at 1 July 2013		**10,963,809**	**51,028,512**	**61,992,321**
Profit for the year	17(b)	-	3,675,993	3,675,993
Other comprehensive income	17(a), 17(b)	489,730	21,824	511,554
Total comprehensive income for the year		489,730	3,697,817	4,187,547
Balance at 30 June 2014		**11,453,539**	**54,726,329**	**66,179,868**
Profit for the year	17(b)		1,717,379	1,717,379
Other comprehensive income	17(a), 17(b)	872,938	31,445	904,383
Total comprehensive income for the year		872,938	1,748,824	2,621,762
Balance at 30 June 2015		**12,326,477**	**56,475,153**	**68,801,630**

Parent entity		**Reserves** **$**	**Retained earnings** **$**	**Total** **$**
Balance at 1 July 2013		**10,963,809**	**51,028,512**	**61,992,321**
Profit for the year	17(b)	-	3,675,993	3,675,993
Other comprehensive income	17(a), 17(b)	489,730	21,824	511,554
Total comprehensive income for the year		489,730	3,697,817	4,187,547
Balance at 30 June 2014		**11,453,539**	**54,726,329**	**66,179,868**
Profit for the year	17(b)		1,717,379	1,717,379
Other comprehensive income	17(a), 17(b)	872,938	31,445	904,383
Total comprehensive income for the year		872,938	1,748,824	2,621,762
Balance at 30 June 2015		**12,326,477**	**56,475,153**	**68,801,630**

The above statements of changes in members' funds should be read in conjunction with the accompanying notes.

The Australian Industry Group
Statements of cash flows
For the year ended 30 June 2015

	Notes	Consolidated		Parent entity	
		2015	2014	**2015**	2014
		$	$	**$**	$
Cash flows from operating activities					
Receipts from trading activities (inclusive of goods and services tax)		**71,711,307**	90,329,868	**43,322,696**	52,777,821
Distributions and dividends		**980,400**	483,807	**980,400**	483,807
Receipts from investment income		**894,947**	1,235,021	**881,988**	1,218,391
		73,586,654	92,048,696	**45,185,084**	54,480,019
Payments to suppliers and employees (inclusive of goods and services tax)		**(77,025,047)**	(89,439,627)	**(49,284,929)**	(51,786,708)
Net cash inflow from operating activities	24	**(3,438,393)**	2,609,069	**(4,099,845)**	2,693,311
Cash flows from investing activities					
Payments for property, plant and equipment and intangibles		**(2,642,105)**	(1,652,978)	**(2,612,056)**	(1,485,463)
Payments for investments		**(1,743,559)**	(6,060,563)	**(1,743,559)**	(6,060,563)
Proceeds from sale of property, plant and equipment and intangibles		**124,008**	309,536	**133,136**	241,254
Proceeds from sale of investments		**1,924,359**	3,346,277	**1,924,359**	3,346,553
Net cash inflow/(outflow) from investing activities		**(2,337,297)**	(4,057,728)	**(2,298,120)**	(3,958,219)
Cash flows from financing activities					
Net cash (outflow) from financing activities		**-**	-	**-**	-
Net increase/(decrease) in cash and cash equivalents		**(5,775,689)**	(1,448,659)	**(6,397,965)**	(1,264,908)
Cash and cash equivalents at the beginning of the financial year		**26,513,607**	27,962,266	**26,311,390**	27,576,298
Cash and cash equivalents at the end of the financial year	6	**20,737,918**	26,513,607	**19,913,425**	26,311,390

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

Note 1. Summary of significant accounting policies

The Australian Industry Group is a Tier 1 reporting entity and not for profit organisation incorporated and governed by the Fair Work (Registered Organisations) Act 2009. Rules 38, 73 and 80 of the Rules of The Australian Industry Group (the reporting unit) provide that the funds of The Australian Industry Group and its income and property shall be under the control of the National Executive as the reporting unit's committee of management. The assets, liabilities and reserves included in these financial statements as at 30 June 2015 are reported in accordance with the Rules and the reporting unit's governing legislation – the Fair Work (Registered Organisations) Act 2009 (the Act).

The reporting unit is the sole reporting unit for the purposes of the Act. However, these financial statements and the accounting policies applied in their preparation are governed by the Australian Accounting Standards (Tier 1 reporting entities) and Reporting Guidelines issued by the Fair Work Commission or its delegate. As a result, the financial solvency of the reporting unit's subsidiary operations, namely the Australian Industry Group Training Services Trust has been assured by the National Executive which confirms that the Organisation has indemnified and will keep indemnified the trustees and their trusts against any shortfall in the assets of those trusts.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for The Australian Industry Group as the parent entity and sole reporting unit and the consolidated entity consisting of The Australian Industry Group and its subsidiaries ("the consolidated entity").

(a) Basis of preparation

This general purpose financial statement has been prepared in accordance with Australian Accounting Standards (the Standards), other authoritative pronouncements of The Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations and the Act and its Regulations, including the Reporting Guidelines issued by the General Manager of Fair Work Commission under the Act (the Guidelines).

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

<u>Historical cost convention</u>

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

<u>Critical accounting estimates</u>

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities include those in relation to the valuation of other financial assets at fair value through profit or loss, valuation of land and buildings. The related estimates and assumptions are discussed in note 2 and note 10(a) respectively.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Australian Industry Group ("parent entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. The parent entity and its subsidiaries together are referred to in this financial statement as the consolidated entity.

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

Note 1. Summary of significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

(c) Revenue recognition

Revenue is measured at the 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 the major business activities as follows:

(i) Membership subscription income

Membership subscription income is brought to account on a pro-rata basis over the period to which it relates.

(ii) Chargeable services and consulting income

Chargeable services and consulting income is brought to account when the service is provided.

(iii) Interest income

Interest income is recognised on a time proportionate basis using the effective interest method, see note 1(l).

(iv) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(v) Lease income

Lease income from operating leases is recognised in income over the period of the lease term.

(d) Government contracts

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

Government contracts relating to costs are deferred and recognised in the income statements over the period necessary to match them with the costs that they are intended to compensate as disclosed in note 11 & note 12. Contracts and related costs are accounted for in the income statement at the respective gross amounts.

(e) Income tax

No provision for income tax is made as the parent entity, being an organisation of employers registered under the Act, is exempt from income tax under Section 50-15 of the Income Tax Assessment Act.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in members' funds as a business combination reserve.

Note 1. Summary of significant accounting policies (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(g) Impairment of assets

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(h) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Trade receivables

All trade debtors are recognised at the amounts receivable, as they are generally due for settlement no more than 30 days from the date of invoice. Collectability of trade receivables is reviewed on an ongoing basis. Non-recoverable subscriptions are written off against Members' Subscriptions income account. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement and deferred income as applicable.

(j) Property, plant and equipment

Land and buildings are shown at fair value, based on annual valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in members' fund. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost, net of tax, is transferred from the property, plant and equipment revaluation reserve to retained earnings.

Land is not depreciated. Depreciation on the following assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	33-42 years
Computer hardware	3-5 years
Leasehold improvements	5-10 years
Motor vehicles	4 years
Furniture, fittings & equipment	2-10 years

Note 1. Summary of significant accounting policies (continued)

Depreciation on the following assets is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Property equipment	4-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is consolidated entity policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(k) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, employee costs and an appropriate portion of relevant overheads. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

IT development and software	3-5 years

(l) Investments and other financial assets

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 7).

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheets date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Note 1. Summary of significant accounting policies (continued)

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statements as gains and losses from investment securities.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or expenses in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(m) Leases

Leases of property, plant and equipment where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. The consolidated entity currently has no finance lease arrangements.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 21). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity 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.

(o) Provisions

Provisions for lease make good obligations are recognised when the consolidated entity had entered into a lease agreement specifying the requirement for the tenant to make good the premises on vacating that premises.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the end of each reporting period are recognised in other payables in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of national government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Note 1. Summary of significant accounting policies (continued)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations
Some employees of the consolidated entity have been entitled to benefits on retirement, disability or death from the consolidated entity's defined benefit superannuation plan. The plan has been transferred to Australian Super Pty Ltd to manage and the defined benefit section of the plan was wound up with effect from 31 March 2015 and all the defined benefits were converted to the accumulation section. The defined benefit section provided defined lump sum benefits based on years of service and average salary. The accumulation section receives fixed contributions from the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions.

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the end of each reporting period plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the end of each reporting period, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of each reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Past service costs are recognised immediately in income statement.

Future taxes, such as taxes on investment income and employer contributions, are taken into account in the actuarial assumptions used to determine the relevant components of the employer's defined benefit liability or asset. Contributions to the accumulation section of the plan are recognised as an expense as they become payable.

(q) Voluntary member contributions
Voluntary contributions collected from members are brought to account as income in the year of receipt but are deferred as a liability to the extent that planned expenditure is to be incurred in future periods (refer note 11).

(r) Information to be provided to Members or General Manager
In accordance with the requirements of the Act, the attention of Members is drawn to the provisions of sub-sections (1), (2) and (3) of that section 272, which read as follows:
(1) "A member of a reporting unit, or the General Manager, 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)."

(s) Goods and service tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) New accounting standards and UIG interpretations
Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Committee of Management has assessed the impact of these new standards and interpretations, and believes the application of these will not have a material impact on the consolidated entity's financial statements.

Note 2. Financial Risk Management

The consolidated entity's activities expose it to a variety of financial risks; market risk (including interest rate risk and price risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Financial risk management for the consolidated entity's investments is carried out by the Investment Committee. The Investment Committee identifies, evaluates and hedges financial risks in close co-operation with the consolidated entity's external portfolio manager. It has agreed on strategic asset allocations with that external portfolio manager in order to maximise returns but minimising financial risk. The Investment Committee has provided written principles for overall risk management, which are applied in consultation with the consolidated entity's investment consultant, J B Were.

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Financial assets				
Cash and cash equivalents	**20,737,918**	26,513,607	**19,913,425**	26,311,390
Trade and other receivables	**20,089,121**	22,295,056	**19,021,552**	20,289,955
Other financial assets at fair value through profit or loss	**34,547,861**	32,927,265	**34,547,861**	32,927,265
	75,374,900	81,735,928	**73,482,838**	79,528,610
Financial liabilities				
Trade and other payables	**7,082,854**	8,521,276	**6,109,715**	7,341,764
	7,082,854	8,521,276	**6,109,715**	7,341,764

(a) Market risk

(i) Price risk

The consolidated entity is exposed to equity securities price risk. This arises from investments held by the consolidated entity and classified on the balance sheets as fair value through profit or loss. The consolidated entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the consolidated entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Investment Committee.

The majority of the consolidated entities equity investments are publicly traded and are included in the ASX 200 Index and MSCI World ex Australia Index. The table below summarises the impact of the increase/decrease of this index on the consolidated entity's surplus for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 10% and 10% respectively (2014 – 10% to 10%) with all other variables held constant and all the consolidated entity equity instruments moved according to the historical correlation with the index.

	Impact on surplus		**Impact on equity**	
	2015	2014	**2015**	2014
	$	$	**$**	$
ASX 200	**1,468,259**	1,444,719	**1,468,259**	1,444,719
MSCI World ex Australia Index	**899,559**	751,099	**899,559**	751,099

Surplus for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. The price risk for the unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

(ii) Cash flow and interest rate risk

The consolidated entity's interest rate risk arises mainly from its cash enhanced portfolio, which is managed by the consolidated entity's external portfolio manager, under the guidelines set out by the Investment Committee.

(b) Credit risk

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

Note 2. Financial Risk Management (continued)

For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The consolidated entity has procedures in place to ensure that sales of services are made to members and customers with an appropriate credit history. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets as summarised on page 14. For some trade receivables the consolidated entity may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade receivables				
*Counterparties without external credit rating**				
Group 1	**19,401,734**	20,935,688	**18,423,409**	19,161,153
Group 2	**143,523**	812,540	**82,339**	668,500
Group 3	**543,864**	546,828	**515,804**	460,302
Total trade receivables	**20,089,121**	22,295,056	**19,021,552**	20,289,955
Cash at bank and short term bank deposits				
AAA	**20,737,918**	26,513,608	**19,913,425**	26,311,390
	20,737,918	26,513,608	**19,913,425**	26,311,390

*Group 1 – customers with debt of less than 90 days
Group 2 – customers with debt of greater than 90 days not at risk i.e.: customer has confirmed payment will be made
Group 3 – customers with debt of greater than 90 days at risk

(c) Liquidity risk

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

Maturities of financial liabilities

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

Consolidated entity – at 30 June 2015	**Less than 6 months $**	**Greater than 6 months $**	**Total contractual cash flows $**	**Carrying Amount (assets/ liabilities) $**
Non-derivatives				
Non-interest bearing	7,082,854	102,261	7,185,115	7,185,115
	7,082,854	**102,261**	**7,185,115**	**7,185,115**

Consolidated entity – at 30 June 2014	**Less than 6 months $**	**Greater than 6 months $**	**Total contractual cash flows $**	**Carrying Amount (assets/ liabilities) $**
Non-derivatives				
Non-interest bearing	8,521,276	53,438	8,574,714	8,574,714
	8,521,276	**53,438**	**8,574,714**	**8,574,714**

Note 2. Financial Risk Management (continued)

Parent entity – at 30 June 2015	Less than 6 months $	Greater than 6 months $	Total contractual cash flows $	Carrying Amount (assets/ liabilities) $
Non-derivatives				
Non-interest bearing	6,109,715	102,261	6,211,976	6,211,976
	6,109,715	**102,261**	**6,211,976**	**6,211,976**

Parent entity – at 30 June 2014	Less than 6 months $	Greater than 6 months $	Total contractual cash flows $	Carrying Amount (assets/ liabilities) $
Non-derivatives				
Non-interest bearing	7,341,764	53,438	7,395,202	7,395,202
	7,341,764	**53,438**	**7,395,202**	**7,395,202**

(d) Fair value estimation

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

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

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The following tables present the consolidated and the parent entity's assets and liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014.

Consolidated and parent entity – at 30 June 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss				
Trading securities - equity	6,190,813	-	-	6,190,813
Managed Funds – equity	-	18,795,761	-	18,795,761
Bonds and managed funds – fixed income	9,561,287	-	-	9,561,287
Total assets	**15,752,100**	**18,795,761**	**-**	**34,547,861**

Consolidated and parent entity – at 30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss				
Trading securities - equity	6,093,925	-	-	6,093,925
Managed Funds – equity	-	17,138,312	3,404	17,141,716
Bonds and managed funds – fixed income	9,691,624	-	-	9,691,624
Total assets	**15,785,549**	**17,138,312**	**3,404**	**32,927,265**

Note 2. Financial Risk Management (continued)

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the consolidated entity is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

The following tables presents the changes in level 3 instruments for the year ended 30 June 2015:

Consolidated and parent entity – at 30 June 2015	**Trading derivatives at fair value through profit or loss $**	**Total $**
Opening balance	3,404	3,404
Loss recognised in income statement	(335)	(335)
Proceeds from sale	(3069)	(3069)
Closing balance	-	-

The following tables presents the changes in level 3 instruments for the year ended 30 June 2014:

Consolidated and parent entity – at 30 June 2014	**Trading derivatives at fair value through profit or loss $**	**Total $**
Opening balance	3,094	3,094
Gain recognised in income statement	310	310
Closing balance	3,404	3,404

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

Note 3. Revenue

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
From continuing operations				
Members' service account				
Members' subscriptions	**15,509,460**	17,132,399	**15,509,460**	17,132,399
Entrance fees	**23,499**	22,977	**23,499**	22,977
Associate fees	**2,470,507**	1,946,273	**2,470,507**	1,946,273
Other income	**-**	15,884	**-**	15,884
	18,003,466	19,117,533	**18,003,466**	19,117,533
General operations account				
Consulting and management services	**9,273,401**	10,450,437	**6,481,496**	8,053,041
Government contracts	**14,259,637**	15,073,669	**14,259,637**	15,073,669
Training and other chargeable services	**23,514,372**	34,138,624	**1,691,065**	2,009,751
Publications	**840,181**	848,249	**840,181**	848,249
Affiliate fees	**63,934**	50,518	**63,934**	50,518
Other	**2,046,622**	1,576,514	**2,015,658**	1,490,896
	49,998,147	62,138,011	**25,351,971**	27,526,124
Other revenue				
General operations account				
Rents	**323,342**	295,319	**323,342**	295,319
	323,342	295,319	**323,342**	295,319
Investments				
Interest earned on cash and cash equivalents & fixed income securities	**894,947**	1,235,021	**881,988**	1,218,391
Distributions and dividends	**980,400**	483,807	**980,400**	483,807
	1,875,347	1,718,828	**1,862,388**	1,702,198
Revenue from continuing operations	**70,200,302**	83,269,691	**45,541,168**	48,641,174

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

Note 4. Other Income

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Investment account				
Unrealised gains on other financial assets at fair value through profit or loss	**1,748,787**	2,866,265	**1,748,787**	2,866,265
Realised net gains on other financial assets at fair value through profit or loss	**52,609**	156,250	**52,609**	156,250
	1,801,396	3,022,515	**1,801,396**	3,022,515
General operations account				
Government contracts (note (a))	**21,017**	50,861	**21,017**	50,861
Other income	**1,822,413**	3,073,376	**1,822,413**	3,073,376

(a) Government contracts
Export market development contract of $21,017 (2014: $50,861) was recognised as consulting and management services income by the consolidated entity during the financial year. There are no unfulfilled conditions or other contingencies attaching to this contract.

Note 5. Expenses

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Surplus from continuing operations includes the following specific expenses:				
Salaries	**42,992,609**	51,337,811	**25,914,414**	26,585,541
Superannuation	**3,945,584**	4,764,430	**2,524,958**	2,677,612
Long service leave	**39,605**	126,246	**20,188**	55,979
Annual leave	**(27,663)**	21,862	**(12,027)**	22,162
Redundancies	**464,214**	790,306	**451,776**	790,306
Other payroll related costs	**4,519,145**	6,324,084	**1,673,189**	2,439,195
Total employee benefit expenses	**51,933,495**	63,364,739	**30,572,498**	32,570,795
Depreciation				
Buildings	**300,630**	299,557	**300,630**	299,557
Plant and equipment	**1,379,914**	1,932,116	**1,217,806**	1,744,160
Total depreciation	**1,680,544**	2,231,673	**1,518,436**	2,043,717
Amortisation				
Leasehold improvements	**39,307**	45,575	**39,307**	45,575
Computer Software	**86,542**	235,658	**86,542**	235,658
Total amortisation	**125,849**	281,233	**125,849**	281,233
Rental expense relating to operating leases				
Minimum lease payments	**1,249,310**	1,044,111	**1,249,310**	1,044,111
Total rental expense relating to operating leases	**1,249,310**	1,044,111	**1,249,310**	1,044,111
Affiliation fees	**93,763**	84,923	**45,646**	49,087
Net bad and doubtful debts	**(15,594)**	16,094	**(2,646)**	(57,797)
Communications	**6,117,719**	6,426,476	**5,656,741**	5,946,132
Legal expenses	**110,000**	28,482	**110,000**	18,082
Meeting expenses	**760,742**	775,911	**603,916**	618,076
Net gain on disposal of property, plant & equipment	**(6,620)**	44,229	**(23,037)**	25,667
Other professional services	**3,754,462**	3,340,917	**3,651,194**	3,201,855
Grants and donations	**400**	800	**400**	800
Other operating expenses	**4,501,266**	5,027,485	**3,405,091**	3,579,976
Total expenses from continuing operations	**70,305,336**	82,667,073	**46,913,398**	49,321,734

There were no expenses during the reporting period in relation to consideration for employers making payroll deductions of membership subscriptions, for capitation fees or for compulsory levies. During the reporting period there were no penalties imposed on Australian Industry Group under the Act with respect to the conduct of Australian Industry Group. There were also no fees or periodic subscriptions paid to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters, except for an annual subscription to the Council of European the Employers of Metal, Engineering & Technology.

Note 6. Current assets – Cash and cash equivalents

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash at bank and on hand (note (c))	**7,951,625**	10,253,539	**7,127,132**	10,051,322
Cash not available for use (note (d))	**656,046**	77,950	**656,046**	77,950
Deposits at call (note (e))	**12,130,247**	16,182,118	**12,130,247**	16,182,118
	20,737,918	26,513,607	**19,913,425**	26,311,390

(a) Reconciliation to cash at the end of the year
The above figures reconcile to cash at the end of the financial year as shown in the statement of cash flows.

(b) Interest rate risk exposure
The consolidated entity's exposure to interest rate risk is discussed in note 2.

(c) Cash at bank and on hand
Contract funds unexpended at year end amounting to $2,930,548 (2014: $3,001,565) which are included in the balances above (refer to notes 11 & 12), can only be used for the purposes of the contract.

(d) Cash not available for use
The above figures represent a security deposit relating to a three lease agreements. This balance is restricted for use until expiration of the lease.

(e) Deposits at call
The deposits are bearing floating interest rates between 2.70% and 2.87% (2014: 3.40% and 3.55%). Included in this balance is $7,108,898 (2014: $7,153,060) that will be utilised for future purchases of growth portfolio and liquidity requirements.

(f) Recovery of wages
No recovery of wages activities have occurred in the reporting period.

Note 7. Current assets – Trade and other receivables

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Members' subscriptions outstanding	**13,478,475**	15,608,722	**13,478,475**	15,608,722
Provision for doubtful debts	**(259,059)**	(200,010)	**(259,059)**	(200,010)
Provision for credit notes	**(1,027,457)**	(1,143,423)	**(1,027,457)**	(1,143,423)
	12,191,959	14,265,289	**12,191,959**	14,265,289
Accounts receivable	**7,579,841**	7,450,336	**3,599,632**	3,357,065
Provision for doubtful debts	**(284,806)**	(346,818)	**(256,746)**	(260,292)
	7,295,035	7,103,518	**3,342,886**	3,096,773
Amounts receivable from related entities	**-**	-	**2,893,918**	2,006,865
Interest accrued	**-**	-	**-**	-
Prepayments	**602,127**	926,249	**592,789**	921,028
	20,089,121	22,295,056	**19,021,552**	20,289,955

(a) Impaired trade receivables
As at 30 June 2015 current trade receivables of the consolidated entity with a nominal value of $543,865 (2014: $546,828) were impaired. These amounts were provided during the year as uncollectible. and have been included in 'net bad and doubtful debts' in the income statements.

Note 7. Current assets – Trade and other receivables (continued)

(b) Past due but not impaired

As of 30 June 2015, trade receivables of $1,076,386 (2014: $1,977,386) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
60 to 90 days	**388,999**	618,018	**194,938**	418,742
90 to 120 days	**135,107**	302,343	**75,215**	154,052
120 days +	**552,280**	1,057,025	**522,928**	974,750
	1,076,386	1,977,386	**793,081**	1,547,544

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(c) Amounts receivable from related entities

These amounts arise from transactions between the parent entity and its subsidiaries and are eliminated on consolidation.

(d) Effective interest rate and credit risk

Information about the consolidated entity's exposure to interest rate risk in relation to trade and other receivables is provided in note 2.

Note 8. Current assets – Other financial assets at fair value through profit or loss

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Managed funds – equity	**18,795,761**	17,141,716	**18,795,761**	17,141,716
Trading securities - equity	**6,190,813**	6,093,925	**6,190,813**	6,093,925
Bonds and managed funds – fixed income	**9,561,287**	9,691,624	**9,561,287**	9,691,624
	34,547,861	32,927,265	**34,547,861**	32,927,265

(a) Managed funds - equity

Managed fund investments were revalued to market value at 30 June 2015:				
Market value 1 July 2014	**17,141,716**	12,631,455	**17,141,716**	12,631,455
Purchases at cost	**-**	2,500,000	**-**	2,500,000
Proceeds on redemption	**(3,069)**	(214,019)	**(3,069)**	(214,019)
Net surplus on redemption	**(335)**	1,546	**(335)**	1,546
Revaluation increment at 30 June 2015	**1,657,449**	2,222,734	**1,657,449**	2,222,734
Market value at 30 June 2015	**18,795,761**	17,141,716	**18,795,761**	17,141,716

(b) Trading securities - equity

A gain was made when all shares were valued at market prices at 30 June 2015:				
Market value 1 July 2014	**6,093,925**	5,929,733	**6,093,925**	5,929,733
Purchase of shares at cost	**1,501,309**	1,529,626	**1,501,309**	1,529,626
Proceeds of sale	**(1,548,703)**	(2,163,670)	**(1,548,703)**	(2,163,670)
Net surplus on redemption	**52,944**	154,704	**52,944**	154,704
Revaluation increment at 30 June 2015	**91,338**	643,532	**91,338**	643,532
Market value at 30 June 2015	**6,190,813**	6,093,925	**6,190,813**	6,093,925

Note 8. Current assets – Other financial assets at fair value through profit or loss (continued)

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
(c) Bonds and managed funds – fixed income				
A gain was made when all shares were valued at market prices at 30 June 2015:				
Market value 1 July 2014	**9,691,624**	8,607,451	**9,691,624**	8,607,451
Purchase at cost	**242,250**	2,030,937	**242,250**	2,030,937
Proceeds of sale (net surplus on redemption)	**(372,587)**	(946,764)	**(372,587)**	(946,764)
Market value at 30 June 2015	**9,561,287**	9,691,624	**9,561,287**	9,691,624

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (note 4).

(c) Risk exposure
Information about the consolidated entity's exposure to credit risk and price risk is provided in note 2.

Note 9. Non-current assets – Other financial assets

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Shares in wholly owned subsidiaries (note (a))	**-**	-	**13**	13
Shares in other corporations (note (b))	**6**	6	**6**	6
Shares in unit trust	**-**	-	**-**	-
	6	6	**19**	19

These financial assets are carried at cost.

(a) Shares in wholly owned subsidiaries (note 22)				
Australian Industry Group Training Services Pty Ltd (trustee of) Australian Industry Group Training Services Trust	-	-	**2**	2
Ai Group Legal Pty Ltd (trustee of AiGroup Legal Unit Trust)	-	-	**10**	10
Confectionery BTW Pty Ltd (trustee of Confectionery Trust)	-	-	**1**	1
	-	-	**13**	13
(b) Shares in other corporations				
AustralianSuper Pty Ltd	**6**	6	**6**	6
	6	6	**6**	6

Investment in the shares of AustralianSuper Pty Ltd represents 50% of its issued capital. The Ai Group does not have a controlling interest in this entity and as such it is not consolidated into the Ai Group accounts.

AustralianSuper Pty Ltd is the Trustee of Superannuation Trust of Australia.

Note 10. (a) Non-current assets – Property, plant and equipment

Consolidated	Freehold land	Buildings	Leasehold improvements	Plant & equipment	Capital works in progress	Total
	$	$	$	$	$	$
At 1 July 2013						
Cost or fair value	8,000,000	8,791,119	3,844,509	13,327,031	103,516	34,066,175
Accumulated depreciation	-	(43,136)	(3,764,098)	(7,352,691)	-	(11,159,925)
Net book amount	8,000,000	8,747,983	80,411	5,974,340	103,516	22,906,250
Year ended 30 June 2014						
Opening net book amount	8,000,000	8,747,983	80,411	5,974,340	103,516	22,906,250
Revaluation increment / (decrement)	100,000	389,730	-	-	-	489,730
Additions	-	-	-	809,302	402,861	1,212,163
Disposals	-	-	-	(309,536)	-	(309,536)
Transfers in/(out)	-	-	-	2,109	(2,109)	-
Depreciation/amortisation charge (note 5)	-	(299,556)	(45,576)	(1,932,116)	-	(2,277,248)
Closing net book amount	8,100,000	8,838,157	34,835	4,544,099	504,268	22,021,359
At 30 June 2014						
Cost or fair value	8,100,000	8,899,977	3,844,509	13,008,837	504,268	34,357,591
Accumulated depreciation	-	(61,820)	(3,809,674)	(8,464,738)	-	(12,336,232)
Net book amount	8,100,000	8,838,157	34,835	4,544,099	504,268	22,021,359

Consolidated

	Freehold land	Buildings	Leasehold improvements	Plant & equipment	Capital works in progress	Total
	$	$	$	$	$	$
Year ended 30 June 2015						
Opening net book amount	8,100,000	8,838,157	34,835	4,544,099	504,268	22,021,359
Revaluation increment	500,000	372,937	-	-	-	872,937
Additions	-	-	83,811	435,076	788,296	1,307,183
Disposals	-	-	-	(124,008)	-	(124,008)
Transfers in / (out)	-	-	164,941	545,425	(710,366)	-
Adjustment	-	-	-	(8,000)	(142,283)	(150,283)
Depreciation/amortisation charge (note 5)	-	(300,630)	(39,307)	(1,379,914)	-	(1,719,851)
Closing net book amount	8,600,000	8,910,464	244,280	4,012,678	439,915	22,207,337
At 30 June 2015						
Cost or fair value	8,600,000	8,964,502	4,093,260	13,454,157	439,915	35,551,834
Accumulated depreciation	-	(54,038)	(3,848,980)	(9,441,479)	-	(13,344,497)
Net book amount	8,600,000	8,910,464	244,280	4,012,678	439,915	22,207,337

Note 10 (a). Non-current assets – Property, plant and equipment (continued)

Parent entity	**Freehold land**	**Buildings**	**Leasehold improvements**	**Plant & equipment**	**Capital works in progress**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
At 1 July 2013						
Cost or fair value	8,000,000	8,791,119	3,844,509	12,366,933	103,516	33,106,077
Accumulated depreciation	-	(43,136)	(3,764,098)	(6,869,860)	-	(10,677,094)
Net book amount	8,000,000	8,747,983	80,411	5,497,073	103,516	22,428,983
Year ended 30 June 2014						
Opening net book amount	8,000,000	8,747,983	80,411	5,497,073	103,516	22,428,983
Revaluation (decrement)	100,000	389,730	-	-	-	489,730
Additions	-	-	-	641,782	402,861	1,044,643
Disposals	-	-	-	(241,524)	-	(241,524)
Transfers in/(out)	-	-	-	2,109	(2,109)	-
Depreciation/amortisation charge (note 5)	-	(299,556)	(45,576)	(1,744,160)	-	(2,089,292)
Closing net book amount	8,100,000	8,838,157	34,835	4,155,280	504,268	21,632,540
At 30 June 2014						
Cost or fair value	8,100,000	8,899,977	3,844,509	12,250,382	504,268	33,599,136
Accumulated depreciation	-	(61,820)	(3,809,674)	(8,095,102)	-	(11,966,596)
Net book amount	8,100,000	8,838,157	34,835	4,155,280	504,268	21,632,540

Parent entity	**Freehold land**	**Buildings**	**Leasehold improvements**	**Plant & equipment**	**Capital works in progress**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Year ended 30 June 2015						
Opening net book amount	8,100,000	8,838,157	34,835	4,155,280	504,268	21,632,540
Revaluation increment/(decrement)	500,000	372,937	-	-	-	872,937
Additions	-	-	83,811	405,027	788,296	1,277,134
Disposals	-	-	-	(133,136)	-	(133,136)
Transfers in/ (out)	-	-	164,941	545,425	(710,366)	-
Adjustments	-	-	-	(8,000)	(142,283)	(150,283)
Depreciation/amortisation charge (note 5)	-	(300,630)	(39,307)	(1,217,806)	-	(1,557,743)
Closing net book amount	8,600,000	8,910,464	244,280	3,746,790	439,915	21,941,449
At 30 June 2015						
Cost or fair value	8,600,000	8,964,502	4,093,260	12,743,904	439,915	34,841,581
Accumulated depreciation	-	(54,038)	(3,848,980)	(8,997,114)	-	(12,900,132)
Net book amount	8,600,000	8,910,464	244,280	3,746,790	439,915	21,941,449

Note 10 (a). Non-current assets – Property, plant and equipment (continued)

(a) Valuations of land and buildings
The consolidated entity obtains independent valuations for its land and buildings at least annually. At the end of each reporting period, the directors update their assessment of the fair value of land and buildings, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar land and buildings. Where such information is not available the directors consider information from a variety of sources including:

(i) current prices in an active market for land and buildings of different nature or recent prices of similar land and buildings in less active markets, adjusted to reflect those differences
(ii) discounted cash flow projections based on reliable estimates of future cash flows
(iii) capitalisation income projections based upon the land and building's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

At the end of the reporting period the key assumptions used by the directors in determining fair value were in the following ranges for the consolidated entity's land and buildings:

	2015	2014
Discount rate	**8.75%**	8.5%
Terminal yield	**8.75%**	9.0%
Capitalisation rate	**7.5%-8.5%**	7.75-8.75%
Expected vacancy rate	**0**	0%
Rental growth rate	**3.82%**	3.5%

All of the above key assumptions have been taken from the last independent valuations report for the assets in the portfolio.

Note 10 (b). Non-current assets – Intangible assets

Consolidated	**Computer Software $**	**Capital works in progress $**	**Total $**
At 1 July 2013			
Cost or fair value	1,211,560	616,204	1,827,764
Accumulated depreciation	(935,676)	-	(935,676)
Net book amount	275,884	616,204	892,088
Year ended 30 June 2014			
Opening net book amount	275,884	616,204	892,088
Revaluation increment / (decrement)	-	-	-
Additions	23,196	417,619	440,815
Disposals	-	-	-
Transfers in/(out)	55,999	(55,999)	-
Amortisation charge (note 5)	(235,658)	-	(235,658)
Closing net book amount	119,421	977,824	1,097,245
At 30 June 2014			
Cost or fair value	1,290,756	977,824	2,268,580
Accumulated depreciation	(1,171,335)	-	(1,171,335)
Net book amount	119,421	977,824	1,097,343

Note 10 (b). Non-current assets – Intangible assets (continued)

Consolidated	**Computer Software $**	**Capital works in progress $**	**Total $**
Year ended 30 June 2015			
Opening net book amount	119,421	977,824	1,097,343
Revaluation increment	-	-	-
Additions	1,777	1,539,212	1,540,989
Disposals			
Prior year adjustment	(24,337)		(24,337)
Transfers in / (out)	78,321	(78,321)	-
Amortisation charge (note 5)	(86,542)		(86,542)
Closing net book amount	88,640	2,438,715	2,527,355
At 30 June 2015			
Cost or fair value	1,370,855	2,438,715	3,809,570
Accumulated depreciation	(1,282,215)		(1,282,215)
Net book amount	88,640	2,438,715	2,527,355

Parent entity	**Computer Software $**	**Capital works in progress $**	**Total $**
At 1 July 2013			
Cost or fair value	1,211,560	616,204	1,827,764
Accumulated depreciation	(935,676)	-	(935,676)
Net book amount	275,884	616,204	892,088
Year ended 30 June 2014			
Opening net book amount	275,884	616,204	892,088
Revaluation increment / (decrement)	-	-	
Additions	23,196	417,619	440,815
Disposals	-	-	-
Transfers in/(out)	55,999	(55,999)	-
Amortisation charge (note 5)	235,658	-	235,658
Closing net book amount	119,421	977,824	1,097,245
At 30 June 2014			
Cost or fair value	1,290,756	977,824	2,650,580
Accumulated depreciation	(1,171,335)	-	(1,171,335)
Net book amount	119,421	977,824	1,097,245

Parent entity	**Computer Software $**	**Capital works in progress $**	**Total $**
Year ended 30 June 2015			
Opening net book amount	119,421	977,824	1,097,245
Revaluation increment	-	-	-
Additions	1,777	1,539,212	1,540,989
Disposals	-	-	-
Prior year adjustment	(24,337)		(24,337)
Transfers in / (out)	78,321	(78,321)	-
Amortisation charge (note 5)	(86,542)	-	(86,542)
Closing net book amount	88,640	2,438,715	2,527,355
At 30 June 2015			
Cost or fair value	1,370,855	2,438,715	3,809,570
Accumulated depreciation	(1,282,215)	-	(1,282,215)
Net book amount	88,640	2,438,715	2,527,355

Note 11. Current liabilities – Trade and other payables

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade payables	**4,582,344**	5,367,861	**3,609,189**	4,168,840
Unexpended government contracts (note (a))	**2,354,925**	3,001,565	**2,354,925**	3,001,565
Affiliation fees (note (b))	**136,873**	162,631	**136,873**	162,631
Special contribution for defence of members' interests (note (c))	**8,728**	8,728	**8,728**	8,728
	7,082,870	8,540,785	**6,109,715**	7,341,764

(a) Unexpended government contracts

Under arrangements with the Commonwealth and various State Governments the consolidated entity was either given, or acted as custodian of, various contracts earmarked for specific purposes in the Manufacturing, Engineering, Construction, Information Technology and Telecommunications Industry. Total government contracts received during the year amounts to $13,647,569 (2014: $13,708,130) for the consolidated entity. Contract funds unexpended at year end amount to $2,930,548 (2014: $3,001,565) for the consolidated entity. Any contract funds not expended at the completion of the contract for the purposes of the contract are repayable to the appropriate government body.

(b) Affiliation fees

This represents the amount billed to members for subscription income on behalf of the affiliates of the consolidated entity. When the member settles their membership account for the year, payment collected is forwarded to the affiliation organisations, primarily the Chamber of Commerce and Industry, Western Australia and the Northern Territory Chamber of Commerce and Industry.

(c) Special contribution for defence of members' interest

Since 1995/96, special contributions of $89,109 have been collected from members on several occasions to defend members' interests in relation to major union claims and campaigns. There were no further contributions, or any further expenditure relating to such contributions, during the year, and the balance in the account represents funds carried forward to future periods.

There were no further contributions, or any further expenditure relating to such contributions, during the year, and the balance in the account represents funds carried forward to future periods.

(d) Other payables

At 30 June 2015, there are none of the following payables noted:

- Payables to employers as consideration for the employers making payroll deductions of membership subscriptions,
- Payables in respect of legal costs and other expenses related to litigation or other legal matters.

Note 12. Current liabilities – Deferred income

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Deferred income (note (a))	**17,150,085**	18,750,827	**17,150,085**	18,750,827
Deferred income – government contracts (note (b))	**1,124,059**	4,831,764	**1,124,059**	4,831,764
	18,274,144	23,582,591	**18,274,144**	23,582,591

(a) Deferred income

Membership subscription income is brought to account on a pro-rata basis over the period to which it relates. The deferred income account contains income generated from the early issue of the three-monthly, six-monthly and yearly subscription billings in June 2015.

(b) Deferred income – government contracts

Government contract income is brought to account on a pro-rata basis over the period to which it relates as per the contract (refer note 1(d)).

Note 13. Current liabilities – Provisions

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Employee benefits - annual leave	**2,805,278**	3,136,537	**1,925,382**	2,025,384
Employee benefits - long service leave	**2,192,689**	2,226,370	**1,974,258**	2,040,201
	4,997,967	5,362,907	**3,899,640**	4,065,585

There are no employee benefit provisions in respect of officeholders of the reporting unit. There were no provision in relation to separation and redundancy and other employee provisions at the end of the reporting period.

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes accrued annual leave, long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current leave obligations expected to be settled after 12 months	**2,109,689**	2,097,199	**1,891,259**	1,911,030

Note 14. Non-current liabilities – Other payables

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Lease incentives (note (a))	**6,294**	20,061	**6,294**	20,061
Straight lining of fixed increase in lease rental (note (b))	**95,967**	33,377	**95,967**	33,377
	102,261	53,438	**102,261**	53,438

(a) Lease incentives
The lease incentive includes a rent free period to the lease on the Newcastle premises commencing 1 January 2011 and the Canberra premises commencing 25 September 2012 which are currently recognised over a 5 year period. In addition, we have provided tenants at the Adelaide premises with lease incentives, which are currently recognised over a 5 year period.

(b) Straight lining of fixed increase in lease rental
The consolidated entity has entered into some operating property leases that have fixed annual rental increase in the lease contracts. A liability is recognised in the provision for straight lining of fixed increases in lease rentals.

Note 15. Non-current liabilities – Provisions

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Employee benefits - long service leave	**765,251**	699,643	**678,796**	599,862
Lease make good provision (note (a))	**85,475**	100,000	**85,475**	100,000
	850,726	799,643	**764,271**	699,862

There are no employee benefit provisions in respect of officeholders of the reporting unit. There were no provision in relation to separation and redundancy and other employee provisions at the end of the reporting period.

Note 15. Non-current liabilities – Provisions (continued)

(a) Lease make good provision

The consolidated entity is required to restore the leased premises of its offices to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

(b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

2015	**Lease make good** **$**
Carrying amount at the beginning of the financial year	**100,000**
Charged to profit or loss	
- additional provisions recognised	**85,475**
- unused amounts reversed	**-**
Amounts used during the year	**(100,000)**
Carrying amount at the end of the financial year	**85,475**

Note 16. Non-current liabilities – Retirement benefit obligations

	Consolidated		Parent entity	
	2015 **$**	2014 $	**2015** **$**	2014 $
Retirement benefit obligations	**-**	335,306	**-**	335,306
	-	335,306	**-**	335,306

(a) Superannuation Plan

The consolidated entity contributes to a defined benefit employee superannuation plan, The Australian Industry Group Superannuation Plan (a sub-Plan of AustralianSuper). This plan was transferred from Mercers Super Trust to AustralianSuper on 4 December 2006. Some employees of the consolidated entity are entitled to benefits from the consolidated entity's defined benefit superannuation plan on retirement, disability or death. The defined benefit plan has been transferred to AustralianSuper Pty Ltd to manage. The defined benefit section provides lump sum benefits based on years of service and average salary. The plan rules provide benefits which are at least as great as the minimum required under Australia's superannuation guarantee legislation. The defined benefit section of the plan was wound up with effect from 31 March 2015 and all defined benefits were transferred to the accumulation section of the plan.

Plan assets are held in trusts which are subject to supervision by the prudential regulator. Funding levels are reviewed regularly. Where assets are less than vested benefits, being those payable upon exit, a management plan must be formed to restore the coverage to at least 100%. Responsibility for governance of the plan, including investment decisions and plan rules, rests solely with the board of trustees of the plan. Contributions levels are also the responsibility of the trustee, although these are usually set in consultation with the employer. The board of trustees must be composed of an equal number of representatives of the company and plan participants.

The defined contribution section receives fixed contributions from the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions.

The following sets out details in respect of the defined benefit section only. The expense recognised in relation to the defined contribution plan is disclosed in note 5.

(b) Balance sheets amounts

The amounts recognised in the balance sheets are determined as follows:

	Consolidated		Parent entity	
	2015 **$**	2014 $	**2015** **$**	2014 $
Present value of the defined benefit obligation	**-**	5,364,638	**-**	5,364,638
Fair value of defined benefit plan assets	**-**	(5,029,332)	**-**	(5,029,332)
	-	335,306	**-**	335,306

Note 16. Non-current liabilities – Retirement benefit obligations (continued)

(c) Categories of plan assets
The major categories of plan assets are as follows:

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash	**-**	150,880	**-**	150,880
Property	**-**	603,520	**-**	603,520
Equity instruments	**-**	3,218,772	**-**	3,218,772
Other assets	**-**	1,056,160	**-**	1,056,160
	-	5,029,332	**-**	5,029,332

(d) Reconciliations

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Reconciliation of the present value of the defined benefit obligation, which is partly funded:				
Balance at the beginning of the year	**5,364,638**	5,221,787	**5,364,638**	5,221,787
Current service cost	**120,813**	154,855	**120,813**	154,855
Interest cost	**147,165**	209,021	**147,165**	209,021
Contributions by plan participants	**49,686**	68,679	**49,686**	68,679
Remeasurements – loss/(gain) arising from experience	**153,144**	175,817	**153,144**	175,817
Remeasurements – loss/(gain) arising from change in financial assumptions	**(72,138)**	292,505	**(72,138)**	292,505
Past service cost and (gains)/losses arising from settlements	**(319,314)**	-	**(319,314)**	-
Benefits, taxes, premiums and expenses paid	**(5,443,994)**	(758,026)	**(5,443,994)**	(758,026)
Balance at the end of the year	**-**	5,364,638	**-**	5,364,638
Reconciliation of the fair value of plan assets:				
Balance at the beginning of the year	**5,029,332**	4,743,412	**5,029,332**	4,743,412
Expected interest income	**142,243**	196,610	**142,243**	196,610
Remeasurements – gain on plan assets excluding amount included in interest income	**112,451**	490,147	**112,451**	490,147
Employer contributions	**110,282**	288,511	**110,282**	288,511
Contributions by plan participants	**49,686**	68,679	**49,686**	68,679
Benefits, taxes, premiums and expenses paid	**(5,443,994)**	(758,027)	**(5,443,994)**	(758,027)
Balance at the end of the year	**-**	5,029,332	**-**	5,029,332

(e) Amounts recognised in income statements
The amounts recognised in the income statements are as follows:

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current service costs	**120,813**	154,855	**120,813**	161,084
Interest costs	**4,922**	12,411	**4,922**	12,411
Past service cost and (gains)/losses arising from settlements	**(319,314)**	-	**(319,314)**	-
Total included in employee benefits expense	**(193,579)**	167,266	**(193,579)**	173,495

Note 16. Non-current liabilities – Retirement benefit obligations (continued)

(f) Amount recognised in other comprehensive income

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Remeasurements - gain on defined benefit obligation/ asset recognised in the year	**31,445**	21,824	**31,445**	21,824
Cumulative actuarial (losses) recognised in other comprehensive income	**(1,604,879)**	(1,636,324)	**(1,604,879)**	(1,636,324)

(g) Principal actuarial assumptions
The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	Consolidated		Parent entity	
Discount rate	**2.40%**	3.70%	**2.40%**	3.70%
Future salary increase	**2.00%**	3.50%	**2.00%**	3.50%

Sensitivity of the defined benefit obligation to changes in the significant assumptions is:

		Impact on defined benefit obligation	
FY 2014	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	0.50%	Decrease by 5.5%	Increase by 5.8%
Salary growth rate	0.50%	Increase by 5.4%	Decrease by 5.1%

FY 2015
Current year information has not been provided for the sensitivity analysis as defined benefit plan has been closed with effect from 31 March 2015 and all defined benefits were converted to the accumulation section. As at 30 June 2015 there were no members in the defined benefit plan and accordingly the retirement benefit obligation was Nil.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Note 17. Reserves and retained earnings

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
(a) Reserves				
Property, plant and equipment revaluation reserve	**4,921,460**	4,048,522	**4,921,460**	4,048,522
Business combination reserve	**7,405,017**	7,405,017	**7,405,017**	7,405,017
	12,326,477	11,453,539	**12,326,477**	11,453,539
Movements:				
Property, plant and equipment revaluation reserve:				
Balance 1 July 2014	**4,048,522**	3,558,792	**4,048,522**	3,558,792
Increment on revaluation of freehold land at the end of the financial year	**500,000**	100,000	**500,000**	100,000
Increment/(decrement) on revaluation of buildings at the end of the financial year	**372,938**	389,730	**372,938**	389,730
Balance 30 June 2015	**4,921,460**	4,048,522	**4,921,460**	4,048,522

Note 17. Reserves and retained earnings (continued)

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Movements:				
Business combination reserve:				
Balance 1 July 2014	**7,405,017**	7,405,017	**7,405,017**	7,405,017
Balance 30 June 2015	**7,405,017**	7,405,017	**7,405,017**	7,405,017

(b) Retained earnings

Retained earnings at the beginning of the financial year	**54,726,329**	51,028,512	**54,726,329**	51,028,512
Net surplus attributable to members of The Australian Industry Group	**1,717,379**	3,675,993	**1,717,379**	3,675,993
Remeasurements – gain on defined benefit obligation/asset recognised during the year	**31,445**	21,824	**31,445**	21,824
Retained earnings at the end of the financial year	**56,475,153**	54,726,329	**56,475,153**	54,726,329

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation reserve
The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(j).

(ii) Business combination reserve
On 1 July 2009 the parent entity amalgamated with Engineering Employers Association, South Australia (EEASA) resulting in the creation of this reserve.
There were no such amalgamations, restructures or business combinations during the current financial year.

Note 18. Related party transactions

In the audit of these financial statements, The Australian Industry Group (Ai Group), must comply with

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

(i) Related Party Transactions Under the Standard
AASB 124 (the Standard) requires disclosure of related party transactions and for the purposes of this Note 18(i), the definition of related party in AASB 124 has been adopted. Key Management Personnel in the Standard includes the Officers (non-executive appointees) of Ai Group and senior executive management (employees) of Ai Group.

(a) Officers of Ai Group
The Officers of Ai Group (refer to Note 1 in the Operating Report) together control the entity, and have the responsibility for the management of the affairs of the entity, determination of the policy of the entity and to make, rescind, alter and enforce the rules of the entity. None of the Officers entered into any related party transactions as required to be disclosed under AASB 124 for the reporting period. Nor, during the financial year, did any of those Officers receive any payment or benefit in exchange for services rendered by the Officers to Ai Group.

(b) Executive Management
The executive managers of Ai Group during the reporting period were the following persons:

Peter Burn, Sharon Cullen (resigned 19 May 2015), Jemina Dunn, Mark Goodsell, Megan Lilly, Kristen Makin (joined 6 May 2015), Michael McConnell (appointed 19 May 2015), Anthony Melville, Stephen Myatt, Peter Nolan, John O’Callaghan, Tim Piper, Stephen Smith, John Tsimboulas, Helen Waldron and Innes Willox.

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

Note 18. Related party transactions (continued)

Aside from their compensation as employees of Ai Group (noted below), none of the directors entered into any related party transactions as required to be disclosed under AASB 124 for the reporting period.

Key management personnel compensation:

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Short-term employee benefits	**5,929,334**	5,672,910	**5,929,334**	5,672,910

(c) Transactions with other related parties
The following transactions occurred with other related parties (the subsidiaries of the reporting entity):

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Other transactions				
Rental revenue paid to The Australian Industry Group	**-**	-	**546,900**	454,000

(d) Loans to/from related parties

Loans to subsidiaries				
Beginning of the year	-	-	**2,006,865**	2,762,271
Loans advanced	-	-	**9,998,052**	10,282,260
Loan repayments received	-	-	**(9,110,999)**	(11,037,666)
Interest paid	-	-	**-**	-
End of year	-	-	**2,893,918**	2,006,865

(ii) Related Party Payments

Section 148C of the Act requires Ai Group, (the reporting unit under the Act) to disclose to its members all payments made by it to its related parties. A related party to Ai Group under the Act includes the following:

- a related body corporate (Ai Group Training Services Pty Ltd; Ai Group Legal Pty Ltd; Confectionery BTW Pty Ltd) and other controlled entities;
- Officers of Ai Group;
- Relatives of Officers;
- Persons or entities in which an Officer has disclosed a material personal interest ("declared persons").

An exemption was granted to Ai Group in June 2014 which limits the disclosure requirements under the Act to
a. payments in excess of $5,150 (cumulative) over the 2014-15 financial year; and
b. only to Ai Group's National Councillors (and their Alternates) and their spouses, parents, children and declared persons; or
c. to entities controlled by Ai Group or entities controlled by any person in paragraph b.
(Remuneration paid to National Councillors and reasonable expense reimbursement in the course of them performing their duties as National Councillors (the Officers of Ai Group) are excluded under the Act.).

Ai Group has not made any payments (which cumulate to $5,150 or more) in paragraph (a) to any of the bodies or persons in paragraph (b) or entities in paragraph (c) as required to be disclosed under section 148C and Rule 53C for the reporting period.

For the purposes of the Act, it is also noted that none of the branches of Ai Group has any power or authority to make payments and none maintains any bank accounts for this purpose. Accordingly, under Section 148C, there are no disclosures of any payments made by any of the NSW Branch, Victorian Branch, Queensland Branch or South Australian Branch for the financial year 2014-15 to related parties or declared persons of those branches.

Note 19. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Assurance services				
Audit services				
PricewaterhouseCoopers Australian firm: Audit and review of financial statements and other audit work under the Fair Work (Registered Organisations) Act 2009				
Total remuneration for audit services	**178,380**	168,700	**148,080**	139,700
Other assurance services	**178,380**	168,700	**148,080**	139,700
PricewaterhouseCoopers Australian firm: Other accounting services				
Total remuneration for other assurance services	**36,000**	29,300	**36,000**	29,300
	36,000	29,300	**36,000**	29,300
Total remuneration for assurance services				
	214,380	198,000	**184,080**	169,000

Note 20. Contingent liabilities

(i) Claims
The consolidated entity had no contingent liabilities in respect of claims at 30 June 2015.

(ii) Guarantees
The Australian Industry Group has guaranteed payment of the debts of Australian Industry Group Training Services Pty Ltd (and Australian Industry Group Training Services Trust). Australian Industry Group is not reliant on financial support of another reporting unit to continue as a going concern.

(ii) Bank Guarantees
The consolidated entity has a bank guarantee of $656,046 relating to three lease agreements.

Note 21. Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of each reporting period but not recognised as liabilities is as follows:

	Consolidated		Parent entity	
Property, plant and equipment:	**2015** **$**	2014 $	**2015** **$**	2014 $
Within one year				
Later than one year but not later than five years	**370,750**	1,611,811	**370,750**	1,611,811
Later than five years	**161,398**	161,398	**161,398**	161,398
	66,956	66,956	**66,956**	66,956
	599,104	1,840,165	**599,104**	1,840,165

Note 21. Commitments (continued)

(b) Lease commitments: consolidated entity as lessee

Non-cancellable operating leases
The consolidated entity leases various offices under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Consolidated		Parent entity	
	2015 $	2014 $	**2015 $**	2014 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year				
Later than one year but not later than five years	**1,451,494**	1,765,104	**1,451,494**	1,765,104
Later than five years	**4,560,290**	4,762,372	**4,560,290**	4,762,372
	4,670,986	5,674,192	**4,670,986**	5,674,192
	10,682,770	12,201,668	**10,682,770**	12,201,668
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	-	-	-	-

Note 22. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	**Country of Incorporation**	**Class of security**	**Equity Holding**	
			2015 %	2014 %
Australian Industry Group Training Services Pty Ltd	Australia	Ordinary shares	100	100
Ai Group Legal Pty Ltd	Australia	Ordinary shares	100	100
Confectionery BTW Pty Ltd	Australia	Ordinary shares	100	100

During the year, The Australian Industry Group continued to operate these trustee entities:

(i) Ai Group Legal Pty Ltd which acted as trustee for Ai Group Legal Unit Trust; and

(ii) Australian Industry Group Training Services Pty Ltd which acted as trustee for The Australian Industry Group Training Services Trust (formerly known as Manufacturers Training Trust). The Manufacturers Training Trust changed its name on 1 July 2015 to The Australian Industry Group Training Services Trust.

(iii) Confectionery BTW Pty Ltd which acted as trustee for The Confectionery Trust.

Note 23. Events occurring after the balance sheets date

At the date of signing this report, no other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:
(a) the consolidated entity's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the consolidated entity's state of affairs in future financial years.

Note 24. Reconciliation of surplus to net cash inflow from operating activities

	Consolidated		Parent entity	
	2015	2014	**2015**	2014
	$	$	**$**	$
Surplus / (deficit) from continuing operations	**1,717,379**	3,675,993	**1,717,379**	3,675,993
Depreciation and amortisation	**1,806,393**	2,512,906	**1,644,285**	2,324,950
(Profit) / loss on disposal of investments	**(52,609)**	(156,250)	**(52,609)**	(156,250)
(Profit) / loss on revaluation of investments	**(1,748,788)**	(2,866,266)	**(1,748,788)**	(2,866,266)
Share of profits of associates	**-**	-	**-**	-
Net loss on sale of non-current assets	**-**	-	**-**	-
Change in operating assets and liabilities				
Decrease / (increase) in receivables	**1,881,813**	293,587	**1,827,217**	78,718
Decrease / (increase) in receivables from related parties	**-**	-	**(887,053)**	755,406
Decrease / (increase) in other receivables	**324,121**	(362,516)	**328,239**	(376,309)
Increase in deferred income	**(5,327,956)**	655,183	**(5,308,447)**	635,674
Increase in trade and other payables	**(1,438,406)**	(920,103)	**(1,232,050)**	(1,088,171)
(Decrease) in provisions	**(600,340)**	(223,465)	**(388,018)**	(290,434)
Net cash inflow from operating activities	**(3,438,393)**	2,609,069	**(4,099,845)**	2,693,311

No other reporting unit and/or controlled entity of the organisation are the source of a cash inflow or the application of a cash outflow other than those disclosed in Note 18(d).

The Australian Industry Group
Committee of management's statement

This Statement is made by the committee of management of The Australian Industry Group (the National Executive) pursuant to a resolution passed by the National Executive on 19 August 2015 (the date of passage of the resolution) in relation to the matters requiring declaration under the Reporting Guidelines and is signed by the designated officer within the meaning of section 243 of Fair Work (Registered Organisations) Act 2009 (the Act) and in accordance with the Reporting Guidelines and is dated as at the date a designated officer signs this Statement:

The National Executive declared on the date of passage of the resolution in relation to the financial and operating reports and other prescribed information of The Australian Industry Group (the reporting unit) for the financial year ending 30 June 2015 that in the opinion of the committee of management:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with the Reporting Guidelines of the General Manager, 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 reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;

(e) no revenue has been derived from undertaking recovery of wages activity during the reporting period; and

(f) during the financial year to which the General Purpose Financial Report relates and since the end of that year:

   (i) meetings of the (National Executive) were held in accordance with the Rules of the reporting unit and

   (ii) the financial affairs of the reporting unit have been managed in accordance with its Rules; and

   (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Act and its related Regulations; and

   (iv) no Member has requested any information from the reporting unit and the General Manager has not requested any such information of the reporting unit under section 272 of the Act; and

   (v) no orders for inspection of financial records have been made by Fair Work Australia under section 273 of the Act.

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

For the Committee of Management
By its Designated Officer

J Ingram AM
National Secretary-Treasurer

Canberra
19 August 2015

The Australian Industry Group
Operating Report

The Committee of Management presents their Operating Report on The Australian Industry Group for the year ended 30 June 2015.

Committee of Management
The following persons were members of the Committee of Management of The Australian Industry Group during the financial year and up to the date of this report:

P Binns
K Bridges
R Brown
N Cornish (National President)
G Coyne
J De Iuliis
L Di Bartolomeo (Immediate Past National President)
J Dixon (National Vice President – VIC)
A S Downs
H Eriksson
M Forrest
D Heaslip (National Vice President - SA)
K Gillis (Alternate)
G Helou
W A Hutchinson (Alternate)
J W Ingram AM (National Secretary/Treasurer)
C Isaac (National Vice President – NSW)
C Jenkins
A Kachellek (Alternate)
D McGree
D McNeil
M Monro (National Vice President - VIC)
P O'Donnell (Alternate)
R Pilling (Deputy National President)
S Richter
R J Rolls (Alternate)
M Tamasi (Alternate)
R Vegt
A Warren
R J C Wilson (Alternate)

All members held their positions on the Committee of Management from 1 July 2014 to 30 June 2015, with the exception of the following:

RESIGNATIONS and RETIREMENTS

P Johns	- 30 June 2015
M McMahon	- 16 April 2014
C Ogilvy	- 7 August 2014
J Ingram	-7 August 2014

APPOINTMENTS

M Monro	- 26 November 2014
R Brown	- 26 November 2014
H Eriksson	- 26 November 2014
K Gillis	- 26 November 2014
J Ingram	- 25 February 2015

Office-bearers of the Committee of Management were appointed to their current positions on 26th November 2014 (save for the National Secretary-Treasurer which was filled with effect on 25 February 2015).

Remuneration of the Committee of Management
During the financial year, no member of the Committee of Management of the reporting unit received, directly or indirectly, any payment or any benefit in exchange for services rendered.

Principal activities
During the year the principal continuing activities of the reporting unit as a registered employer organisation consisted of:

a) representing its membership in manufacturing, construction, engineering, automotive, telecommunications, IT, transport, labour hire and other industries,
b) providing assistance, advice and information to its membership in the areas of workplace relations and human resource management; OHS and workers' compensation management; environment and energy management; innovation policy and development networks; international trade development and promotion; and business regulation,
c) conducting comprehensive training workshops, seminars and related programs.

There have been no significant changes to the nature of the principal activities of the reporting unit during the financial year.

Results of Principal activities
The Organisation continued to represent its members' and industry's interests in respect to workplace relations and other matters. This included representational activities to Government and Opposition parties on key policy issues affecting our membership, regulatory submissions and appearances before the Fair Work Commission, and involvement in numerous industry or organisational inquiries. Ai Group continued to deliver quality workplace relations and other services to members with strategic new services being developed to meet the needs of members. The Organisation remains an effective and financially strong representative body for industry. No changes to the principal activities for 2015 are anticipated for 2016.

Review of principal activities
The Australian Industry Group and subsidiaries reported a consolidated surplus/ (deficit) from continuing operations of $1,717,379 (2014: ($3,675,993)) for the year ending 30 June 2015.

Total income of $70,200,302 (2014: $83,269,691) was below the previous year by $13,069,389 (15.7%).

Total expenditure of $70,305,336 (2014: $82,667,074) was below the previous year by $12,361,738 (15.0%).

Reporting Guidelines
None of the activities in paragraphs 10, 11 or 12 of the Reporting Guidelines has occurred during the financial year ending 30 June 2015, and none of the activities in subparagraphs (b), (c) or (e) or paragraph 14 of the Guidelines has occurred during the financial year. Activities mentioned in subparagraphs (a) and (d) of paragraph 14 re noted on the face of the financial statements or in the Notes.

All loans, donations and grants required to be disclosed under subparagraph (e) of paragraph 16 are disclosed on the face of the financial statements or in the Notes.

In addition, the Reporting Guidelines require the following disclosures to be made in the financial statements comprising the General Purpose Financial Report for the financial year 2014-15 –
Unless expressly referred to and identified in these financial statements, none of the activities referred to in the following paragraphs of the Reporting Guidelines has occurred in the reporting period, namely Paragraphs 10,11,12,14,16 ,18,20,22 and 24.

Significant changes in the financial state of affairs
There were no significant changes in the financial affairs of the reporting unit during the financial year.

Number of Recorded Members
The number of persons recorded in the Register of Members of the Organisation as at 30 June 2015 for the purposes of section 254 (2) (f) of the Act was 5,846 (2014: 6,219).

Number of Employees
The number of persons who were employees in the parent entity (equivalent full time employee basis) as at 30 June 2015 was 255 (2014: 261).

Rights of Members to resign
In accordance with section 174 of the Act, a Member may resign from membership of the Organisation by written notice addressed and delivered to the Secretary-Treasurer of any Branch of the Organisation to which such member belongs.

Details of Trustee of Superannuation Entities

No Officer or Member of the Organisation was:

a) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

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

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

Other relevant Information of the reporting unit

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

J Ingram AM	Canberra
National Secretary-Treasurer	19 August 2015

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Independent auditor's report to the members of The Australian Industry Group

Report on the financial report

We have audited the accompanying general purpose financial report of The Australian Industry Group (Ai Group), which comprises the balance sheets as at 30 June 2015, and the income statements, the statements of comprehensive income, statements of changes in members' funds and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management's Statement for Ai Group and the consolidated entity. The consolidated entity comprises Ai Group and the entities it controlled at the year's end or from time to time during the financial year.

Committee of Management's responsibility for the financial report

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

Auditor's responsibility

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

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

Auditor's opinion
In our opinion:

(a) the financial report of The Australian Industry Group and of the consolidated entity is in accordance with the Fair Work (Registered Organisations) Act 2009, including:

(i) giving a true and fair view of the Ai Group and its consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Regulations and Reporting Guidelines as required by the Fair Work (Registered Organisations) Act 2009.

As part of our audit of the financial report we have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

PricewaterhouseCoopers

PricewaterhouseCoopers

I, David Kelly, am currently a member of Chartered Accountants Australia and New Zealand and my membership number is 27668.

DN Kelly

Partner
Registered Auditor No. 170623 `

Sydney
19 August 2015

AUSTRALIAN INDUSTRY
GROUP