

NSW BUSINESS CHAMBER ANNUAL REPORT 2019



Winner 2018
Business of the Year,
Australian Reptile Park

Invigorating **business**



2018 State Business Awards Gala



Ruby Maine, Winner of Excellence in Micro Business at the 2019 Western NSW Regional Business Awards



Business Leaders Breakfast @ Vissla Sydney Surf Pro



Sydney Metro Regional Business Awards Outstanding Employer of Choice



2019 NSWBC IWD Luncheon



2019 Western NSW Regional Business Awards Gala Event



Networking @ Night



2019 Archibald Prize (CEO Club)

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In accordance with the requirements of the Workplace Gender Equality Act 2012 (Act), NSW Business Chamber has lodged its annual public report with the Workplace Gender Equality Agency (Agency).
This report is made available to you via www.nswbusinesschamber.com.au if you wish to read it.

How we help



NSW Business Chamber is the state's peak business support organisation, dedicated to helping businesses of all sizes grow and prosper.

We connect business to peers, industry leaders and government to create opportunities and influence change.

Through our expert advice and business solutions we help businesses become more productive, competitive and profitable.

Our Tourism Industry, Manufacturing Industry and Defence Industry divisions offer specialist solutions, advice and advocacy to businesses of all sizes in these sectors.

Discover how NSW Business Chamber can help you maximise your business potential at

www.nswbusinesschamber.com.au.

Create better business-to-business connections

- Connect with others through events, roundtables and webinars
- Gain recognition for excellence through Business Awards

Make it simple to avoid fines and reduce risk

- Workplace insurance
- Access legal advice
- Gain HR support
- Stay up to date with workplace health and safety obligations
- Manage your pay rates and leave entitlements

Advocate for business

- Improving the business environment
- Representing the concerns of business to government and the community

Access local, regional and state-wide business support wherever you are

- Account managers who know your area
- Metropolitan and regional offices across NSW

Increase productivity and profitability through expert advice and business solutions

- Recruit the right people
- Manage your apprentices and trainees
- Raise the profile of your business through marketing
- Trade overseas
- Education and training for you and your team
- Valuable products and services to support your business needs
- Access to services designed to deliver efficiencies and savings

The Chamber footprint

NSW Business Chamber can trace its heritage to 1826. It is NSW's peak business organisation and Australia's largest membership-based Chamber. During the 2018-2019 financial year, the Chamber achieved the following:

20,465

members of the NSW Business Chamber

400,000

face-to-face visits and phone calls through the Apprenticeships Centre

1,936

award entries state-wide for the 2018 Annual Business Awards and Tourism Industry Awards

777

staff across 52 offices

26,500

Workplace Advice Line calls resolving enquiries about industrial awards, employment conditions and other workplace issues

60,811

certified trade documents enabling Australian businesses to export to new markets overseas

37,245

customer service emails actioned

17,474

Business Hotline calls resolving all types of member enquiries

20,504

HR Advance downloads allowing businesses to create legally compliant documents

3,155

webinar attendees educating business managers and their teams

12,514

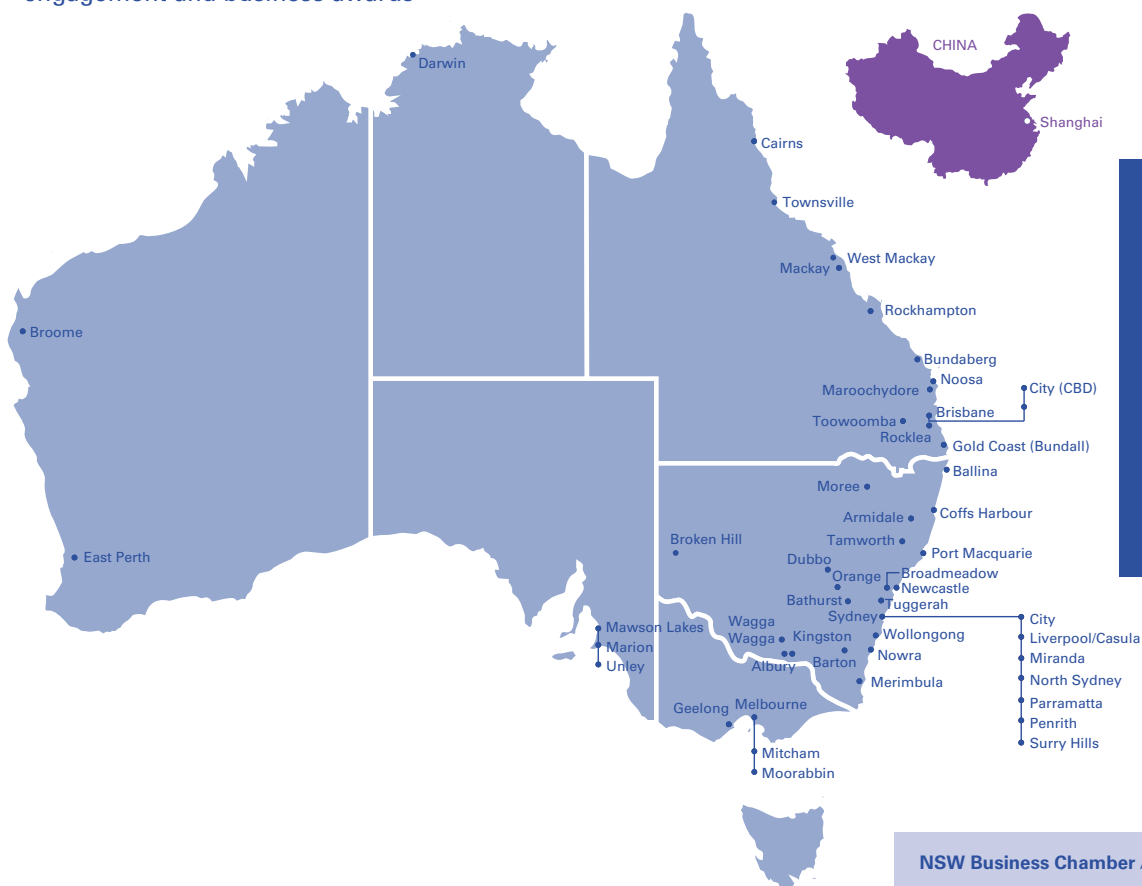
on-hire employees with 3,057,966 hours of on-hire work for customers

285,580

members of Skillsroad

40,554

attendees to 519 events encompassing networking, educational, political engagement and business awards



Office locations

NSW Business Chamber and its commercial division, Australian Business Solutions Group, have a nationwide and international presence.



N Watson

Nola Watson

President
NSW Business Chamber

"As an organisation, we place great emphasis on listening to members about issues that are affecting their day-to-day business."

Thriving in uncertain times

The past year has seen a great deal of uncertainty internationally and here in Australia. Tensions in global trade and shifts in economic power have brought increased volatility to the business and investment environments. Advances in communications continue to revolutionise the way society operates, and technology advances are rapidly disrupting traditional business models. At the same time vigorous political debate in Australia is driving further changes.

A year of change also brought opportunities and I am pleased to say the Chamber has stayed true to its long-standing purpose of creating a better Australia by maximising the outcomes and potential of business.

Getting the environment right

It is our belief that communities succeed when businesses succeed. There is an interdependency between a thriving small business environment and strong, resilient local communities.

To sharpen its focus, NSW Business Chamber identified areas where it believed there was the greatest need for change. The Chamber has produced several submissions and studies that specifically address these issues. These included:

- Report on impacts of drought on business in NSW
- Submission to the NSW Curriculum Review
- Submission on review of the 2018 Workers Compensation scheme

We were particularly pleased that our call for a review of aspects of the Workers Compensation scheme was successfully met by the NSW State Insurance Regulatory Authority.

A year of elections

It is uncommon for both federal and state elections to fall in the same year. However, this also presented the Chamber with an opportunity to amplify our voice, and advance our key messages beyond state borders.

Our campaign in the NSW state election called for measures to tackle youth unemployment, cut energy costs, improve infrastructure delivery, support drought protection, and deliver payroll tax relief.

The success of our advocacy was evident in the state government's agenda with billions secured for TAFE and Vocational Education and Training, regional infrastructure projects and drought measures, and the retention of announced increases to the payroll tax threshold.

During the federal election, in partnership with the Australian Chamber of Commerce and Industry, we continued to champion small business in calls to extend the instant asset tax write-off, incentives to employ apprentices, and further export market grant funding. We were pleased to see real progress in many of these areas.



Prime Minister Scott Morrison discussing his priorities for Australia's economy at Bankwest Stadium in May 2019

However, agitating for change does not stop once the election is over. It is an important part of our ongoing work. We believe both federal and state governments need to do more to drive economic growth, foster job creation, and create a less burdensome regulatory environment for business. The Chamber will continue our work in these areas by developing strong factual arguments and presenting solutions-based options to policy makers.

Improving our services

As businesses have continued to evolve in the 21st century, so too has the Chamber adopted new and innovative ways to operate. We recognised the need to provide multi-channel platforms and improve our services to small and medium business clients.

The Chamber has utilised new forms of digital marketing, allowing us to be better connected with members and supporters. The expanded use of social media helped us extend our reach and engage with a much wider range of supporters on topical business issues. At a practical level, our new energy comparison service helped businesses quickly find cheaper offers for energy, in many cases helping businesses save thousands of dollars. And programs such as the Workplace Advice Line continue to be an invaluable resource for businesses struggling with workplace relations issues.

Creating the future, together

As an organisation, we place great emphasis on listening to members about issues that are affecting their day-to-day business. We firmly believe the Chamber's agenda should be a bottom-up approach based on listening to members. The Council of the NSW Business Chamber and the various policy committees provide important soundings on the views of members. In addition, over the last year, Management and Board Directors have been involved in an extensive and structured program of grass roots consultation, meeting with hundreds of members around the state. The insights from all of these discussions continue to inform how we shape the work of the Chamber going forward.

I would like to thank the CEO, management and staff on a year of significant achievements as we all look forward to a vibrant and even more successful future.

The Board of NSW Business Chamber as at 30 June 2019.



Nola Watson



Ellie Brown



Professor Trevor Cairney OAM



Judith Field



Lyall Gorman



Brett Manwaring



Greg McNamara



Warrick McLean



Ian Penfold



Terry Wetherall



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

Stephen Cartwright

Chief Executive Officer
NSW Business Chamber

A year of great progress

The beginning of a new financial year often comes with a daunting realisation: that no matter how much you had hoped to achieve, it's simply impossible to do it all.

Thankfully, I'm pleased to report that not only did the Chamber achieve our goals but we actually surpassed the high expectations we set for ourselves, and that you expect from us.

That success is a collective effort, driven by the hard-working and tireless contributions of the Chamber Board, Council, regional & policy committees, staff and volunteers, and of course the thousands of businesses across the state.

I'm extremely proud of everything the Chamber has achieved this past year – all aimed at making the 'business of being in business' that much easier and more rewarding for the hard-working business men and women of this state.

Our Australian Business Energy (ABE) comparator service has been a tremendous success, saving businesses thousands of dollars from their power bills and, with the momentum gained, the Chamber will continue to advocate for lower energy bills for businesses everywhere.

ABE also provided us the opportunity to use digital and interactive tools to help business – and the success to date has given us the confidence to keep building these types of solutions in future product offerings.

Our commercial business offerings are the best in the business – our highly successful law firm Australian Business Lawyers & Advisors was awarded the Employment Law Specialist Firm of the Year at the prestigious Australasian Law Awards.

While Skillsroad, an initiative of the NSW Business Chamber and supported by other Chambers of Commerce across the country, was the only Australian finalist at the World Chambers Federation Congress Awards in Brazil.

The new Chamber makes an impact

Last year, you will recall that I detailed how the NSW Business Chamber would be implementing a new strategy focused on digital transformation. That transformation includes new enterprise-grade infrastructure, changes to our member model and an organisational redesign.

In fact, this transformation has already led to new and exciting opportunities. In March, the NSW Business Chamber successfully won the tender to deliver the national Business Energy Advice Program (BEAP) on behalf of the Australian Government and we will roll this service out across the nation over the next three years.

Keeping NSW Number 1

The success achieved by the Chamber with our 'Keeping NSW Number 1' pre-election campaign cannot be underestimated. We set about using social media and digital marketing tools with a more powerful reach, targeted at voters in seats where the outcome of the election would be determined. As a result, we had a great deal of success in bringing important business issues to the top of the agenda, where they belong.



The amount of work that went on behind the scenes of this campaign was extraordinary. From the creation of new campaign material, to filming and editing media pieces, to digital advocacy, to hosting an exclusive event with the Premier for members a week before the election, and beyond.

The success of our NSW campaign also meant that the Chamber became a key player in the federal campaign in May, with Prime Minister Scott Morrison choosing the NSW Business Chamber to host his only Sydney event for the business community – a breakfast at the brand-new Bankwest Stadium in Parramatta, which received national coverage.

Support for rural areas

An election year is always a busy one for the Chamber, and doubly so in 2019 with ballots cast at the state and federal level.

With the amount of travelling I undertook as part of our advocacy efforts, I was sadly able to witness first-hand the true impact the drought is having on not only our primary producers, but broader regional communities as a whole.

It's one of the reasons the Chamber has taken such a strong stance in ensuring the NSW Government meets its pledge to spend 30% of the Restart NSW funds on regional infrastructure as a way of turbo-boosting regional communities, through surety of employment and the creation of extra jobs.

It's also why addressing skills shortages is a critical issue for both government and business. I continually hear from business owners of all sizes looking to take on extra staff, but there just isn't the skill set being developed to perform jobs for today, and into the future. It's also crazy that most of the complaints I receive are from business owners in regional areas where the youth unemployment rate can be as high as 20%.

General support

Our consulting service has continued to support businesses with over 360 SME's now signed into the Entrepreneurs' Programme run by the Chamber on behalf of the Department of Industry, Innovation and Science.

Australian Business Lawyers & Advisors (ABLA) has continued to champion the cause for employers in landmark cases. ABLA represented the Chamber as it continued to pioneer a claim in the Fair Work Commission to introduce a new form of employment that would allow employers to provide benefits in some awards at a reduced rate but with increased flexibility for the employee.

We continue to support the business community through advisory services. Through Workplace Assured, ABLA has supported members and clients achieve better compliance in workplace relations. The Workplace Assured unit experienced 70% growth year-on-year, indicating a strong need for this expert advice and assistance.

The Chamber has continued to be recognised for its excellent work. Last year, we introduced a service called Alliance Community to help with a community approach to designing premium support services for people living with disability and the aged.

This year, Alliance Community was recognised as one of six finalists in the Operational Excellence category at the Recruitment, Consulting & Staffing Association (RCSA) Awards in 2019.

A final thank you

As the new financial year is now in full swing, it would be remiss of me to not emphasise once again how privileged I feel to lead the Chamber during the most transformational time in its 193-year history.

The Board of Directors, led by President Nola Watson, are committed advocates for the needs of members, and for creating a better business environment. Their unwavering support, encouragement and dedication are greatly appreciated, and are not taken for granted.

Of course any success 'The Chamber' achieves is really success on behalf of members and the broader community. As we continue to uncover new and exciting ways to support businesses across the state, we hope to speak with even more of you to gain real-time insights on the issues impacting your business, and how we, as a collective, can overcome them to allow you to maximise the potential of your business. I wish every member a successful and prosperous FY2020.

“As the new financial year is now in full swing, it would be remiss of me to not emphasise once again how privileged I feel to lead the Chamber during the most transformational time in its 193-year history.”

Policy & Advocacy

Another busy 12 months for the Policy and Advocacy team which included a NSW state and a federal election. The Chamber was particularly active in the NSW election through the Keeping NSW Number 1 campaign.

The Chamber completed over 50 submissions and studies over the last 12 months and was active in calling for reforms to the key issues identified by members including issues such as workers compensation.

Calls from the Chamber for a review of the NSW Workers Compensation system to address the serious concerns raised by businesses across NSW were rewarded with the State Insurance Regulatory Authority announcing a review earlier in the year.

Growing media presence

The voice of the Chamber continues to grow, with the media profile and reach of the organisation growing year on year. A record number of media mentions was achieved during the year; the media presence combined with a solutions-based advocacy focus is providing tangible results for businesses across NSW.

NSW state election

The Chamber engaged all political parties during the 2019 NSW state election. The campaign, entitled Keeping NSW Number 1, broke all previous records, securing more than 32 million impressions and media mentions. It was clear all sides of politics were aware of the key pillars and measures of the Chamber and it was significant that the Chamber secured both the Premier and Leader of the Opposition at Chamber events during the campaign. To promote key policy proposals the campaign targeted the use of traditional and social media to prosecute key messages and engage the electorate, and the strategy employed secured a record audience.

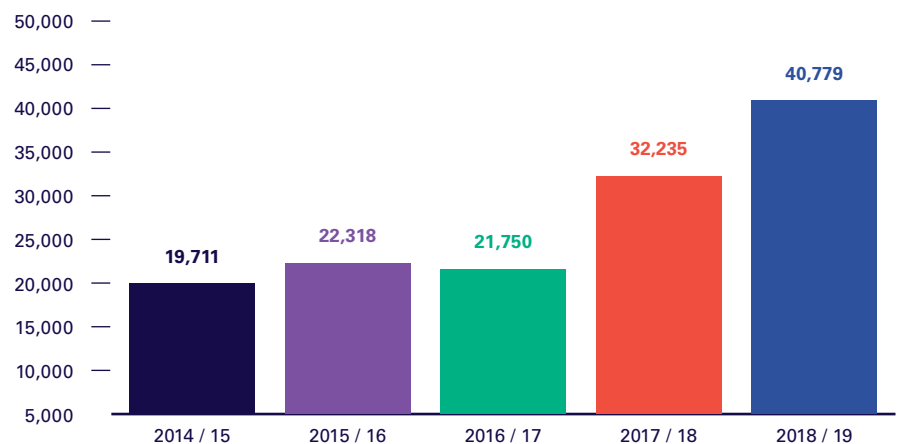
The election campaign comprised five key pillars:

- Skilling NSW for the future and tackling youth unemployment.
- Cutting energy costs for NSW businesses and residents.
- Improving the delivery of major infrastructure and accelerating delivery in regional NSW.
- Protecting NSW from natural disasters, including drought and flood.
- Delivering payroll tax relief for the small businesses of NSW.



CEO Stephen Cartwright and NSW Premier Gladys Berejiklian

Total Media Index Score - Last 5 Financial Years



Importantly, the Chamber was also instrumental in the creation of the Parliamentary Friends of Small Business. This new Parliamentary Committee will provide a forum for all parliamentarians in both the upper and lower house to receive and consider representations and issues facing small businesses across NSW.

Outcomes secured from State Budget

The Chamber in its pre-budget submission prioritised vocational education training and infrastructure delivery. It was therefore pleasing the NSW Government funded the following key initiatives:

- A record \$21 billion for NSW schools, early childhood education, TAFE and VET. These initiatives are in line with its commitment to create 250,000 new jobs over the next four years.
- An additional \$1.1 billion for regional infrastructure projects from Restart NSW.
- \$6.4 billion to commence Sydney Metro West in the year 2020.
- \$355 million to extend funding for critical drought assistance measures for farmers and rural communities.

Following on from last year, from 1 July 2019 the payroll tax threshold for small business lifted from \$850,000 to \$900,000. The increase of the threshold from \$750,000 to one million by the year 2021 will remove one of the impediments small business faces in creating new jobs and investing in their businesses. Reducing the burden of payroll tax on business is a signature policy of the Chamber and one that we will continue to prosecute.

The national stage

Ahead of the Federal Budget the Chamber sought measures that would provide 'real' and immediate support for business. Our calls for action to extend the instant asset tax write-off, incentives to employ apprentices, funding to improve rail connectivity and additional funding for Export Market Development Grants were rewarded with the Government announcing:

- An extension of the instant asset write-off, increased to assets worth up to \$30,000 and expanded to businesses with a turnover of up to \$50m.
- \$156m to address priority skill shortage areas through a new apprenticeship incentive. Providing \$8,000 for employers and \$2,000 for apprentices (targeted to 10 skill shortage areas).
- Funding for detailed assessments of fast rail routes between Sydney and Wollongong and Sydney through to Parkes.
- \$60m in additional funding to expand support offered through the Export Market Development Grant scheme.

\$6.4 BILLION

to commence Sydney Metro West in the year 2020.

\$355 MILLION

to extend funding for critical drought assistance measures for farmers and rural communities.

My #1
is efficient delivery of infrastructure so businesses can plan.

Improving the delivery of major infrastructure is key to Keeping NSW Number 1

This state election, vote to Keep NSW Number 1.
nswnumber1.com.au

My #1
is encouraging young people to take up a career in the trades.

Skilling NSW for the future and tackling youth unemployment is key to Keeping NSW Number 1.

This state election, vote to Keep NSW Number 1.
nswnumber1.com.au

Authorised by C. Lamont, NSW Business Chamber, 140 Arthur Street, North Sydney NSW 2060.

Reducing energy costs and increasing energy efficiency for businesses across Australia

NSW Business Chamber has been supporting business needs since 1826 and continues to power through the noise to deliver what is needed for businesses.

From the moment our members told us rising energy costs were having an impact on their bottom line we knew we had to take action¹.

So we did.

Since launching NSW Business Chamber Energy and Australian Business Energy services in 2018, we have sourced a better deal for 80% of businesses². The free comparison and switching service has identified estimated energy savings of over \$7 million across more than 4,000 accounts, allowing for more money to go back into businesses³.

“Energy initiatives delivered by the Chamber have returned over \$7 million in estimated energy savings for business³.”

Now we take it one step further.

In March 2019, NSW Business Chamber successfully won the tender to deliver the national Business Energy Advice Program (BEAP) on behalf of the Australian Government, Department of Environment and Energy.

Our success was due to our existing efforts, enthusiasm and results helping small businesses find a better energy deal and improve their energy efficiency.

BEAP delivers tailored energy savings plans for eligible small businesses, as well as providing useful energy resources such as case studies, fact sheets, and information on how businesses can access government grants.

The program officially launched in August 2019 and is comprised of two components.

The first is an energy advisory service, which we deliver to eligible businesses face-to-face or over the phone, to help small businesses understand their energy-saving opportunities and to propose options for small businesses to help manage their energy.

The second is an energy benchmarking tool. This digital tool will allow small businesses to see where their energy use sits amongst similar businesses in their industry.

The program, like all our sustainability initiatives, delivers straightforward advice that aims to deliver real energy savings for the business.

NSW Business Chamber will continue to advocate on behalf of businesses to reduce the cost of energy – including lowering gas prices, pushing for an electricity market and supporting industry research to innovate energy supply.

“As partners with the Australian Government, we now offer a free and independent energy advice program for Australian businesses.”

¹ Based on NSW Business Chamber Energy & Electricity Survey Results September 2017.

² Based on all customers who went through the full bill comparison service between 20 February 2018 – 1 November 2018.

³ Based on 2,517 customers who completed the comparison service delivered by Australian Business Energy between 1 January 2018 and 30 June 2019.



2019 Archibald Prize (CEO Club)



Regand Park Early Childhood Education Centre, Winner of Excellence in Sustainability at the 2019 Western NSW Regional Business Awards



2018 State Business Awards Gala



Australian Reptile Park 2018 NSW Business of the Year



2019 NSWBC IWD Luncheon

Australian Business Consulting & Solutions



Australian Business Consulting & Solutions (ABCS) is a multi-disciplinary business with a mission to help businesses prosper and grow through specialist export trade and business advisory services.

ABCS is also responsible for NSWBC's sales and business service delivery, including our Workplace Services.

ABCS delivers these services into the NSWBC member base and to other customers across Australia.

During the year, ABCS secured a number of Federal Government tenders including positions in the Entrepreneurs Facilitator Service and the national role for the Department of Energy in the rollout of the \$10m Business Energy Advice Program (BEAP) for the Federal Government.

Helping business grow

Entrepreneurs' Programme – Department of Industry, Innovation & Science

This year, the team signed over 365 eligible businesses into the programme, and guided an additional 375 owners and decision-makers of SMEs through the full services of the Business Management, Supply Chain and Innovation Connections areas.

The team also ran 34 learning events across three states covering various topics including export capability, understanding millennials, and digital marketing.

Fifteen Innovation Connections projects were launched linking industry with the research sector, and over 40 supply chain SMEs undertook specific business improvement projects.

Entrepreneurship Facilitators Service – Department of Employment, Skills, Small and Family Business

ABCS was awarded four facilitator positions across Victoria, New South Wales and Queensland.

In the first six months of the program:

- Over 480 people have been provided with assistance on how to start a business.
- Over 65 clients have been guided with specific help in business planning, marketing and understanding the key success factors in running a small business.
- Over 250 stakeholder relationships have been established to raise awareness of the programme and self-employment.

International business

The team received over 20 trade delegations including high-profile delegations led by ministerial-level officials from overseas, and ran over 30 business events in Australia and China, including a high-profile networking event in partnership with Austrade during China International Import Expo in Shanghai last November.

Our specialist trade executives were invited to speak at over 15 external international business conferences and forums in Australia.

The team also processed over 60,000 export documents including Certificates of Origin, Carnets, and Certificates of Free Sales.

Our Export Growth China team generated over \$6 million dollars in new export sales to China, filed over 100 trademarks for Australian businesses in China and ran an investment roadshow across four cities in China.

The team also organised its first-ever investment roadshow visiting four cities in China last November, and showcased Australian investment opportunities to over 250 investors.

Helping business owners be a better employer

ABCS provides a number of workplace services including Workplace Assured, HR Advance, WorkplaceInfo and WorkplaceOHS.

This year, WorkplaceInfo developed a sponsored content program with blue chip organisations such as Mercer. The HR Advance Professional product has pivoted from signing just small business consultants to large accounting firms. Our tailored HR Advance service for financial planners experienced a large uplift due to an increased interest in compliance after the Banking Royal Commission.

Helping businesses be sustainable and efficient

Australian Business Energy and the Business Energy Advice Program (BEAP)

Over the last 12 months ABCS built, launched and established Australian Business Energy (ABE), Australia's first not-for-profit business energy comparator and switching service. ABCS is proud to have a number of partners promoting and supporting ABE including:

- Victorian Chamber of Commerce and Industry
- Business SA
- The Law Society of NSW
- Australian Independent Schools, (NSW)
- Jewellers Association of Australia
- Accord
- Nursery & Garden Industry NSW and ACT
- ACA NSW
- SGLBA
- ACFA (Australian Cabinet and Furniture Association)
- Lido Group
- Yenda
- Riverina Wine Grapes and Marketing Board

Following the establishment and rollout of ABE, in March this year ABCS was appointed as the sole contractor to the Department of Energy to roll out a national Business Energy Advice Program.

This service helps small businesses across Australia understand their energy savings opportunities, choose the best energy plan for their business, and receive tailored advice on energy efficiency opportunities best suited to their industry.

ABCS will roll this program out across Australia working with service providers and channel partners including other not-for-profit associations and government agencies.

This program was formally launched on 26 August 2019.

365+

eligible businesses signed into the Entrepreneurs' Programme

6 MILLION+

dollars generated in new export sales to China

60,000+

export documents issued



"BEAP is a fantastic free initiative. Why wouldn't you do it? You'd be crazy not to. It was free – it was easy and we're projecting to save about \$10,000*"

**Layton Gould, General Manager
Cammeray Golf Club**

*All savings are estimations only

Australian Business Apprenticeships Centre



Nelson Florimo, Apprentice of the Year at the NSW Training Awards

Australian Business Apprenticeships Centre (ABAC) now has over 21 years of continual service in supporting New South Wales, Australian Capital Territory and Queensland employers to use apprenticeships and traineeships to train the next generation of talent.

ABAC, with its partners in the national Apprenticeship Support Australia (ASA) business, has placed more than 1.6 million apprentices and trainees over the last 20 years, Australia wide.

Highlights:

Youth Census 2018

The Census received 30,000 respondents aged 15-24 years providing a deep understanding of the issues youth face. The results identified poor career advice as a major issue for youth and also identified that the wellness index of young people undertaking an apprenticeship is higher than for cohorts that are not.

NSW Government Grant Funding

Funding was provided to create 360 degree Virtual Workplace Videos, which allow viewers to experience a variety of work placement environments, and listen to interviews of real workers to spark career interest matched to their strengths.

Funding was also provided to create an Apprentice On-Boarding Kit, a mobile-friendly support for employers of apprentices and trainees. The kit offers support via four important induction documents most relevant to apprentices and trainees.

Youth Employment Innovation Challenge (YEIC)

ABAC received NSW Government funding to support six regions of high youth unemployment across NSW. Focusing on supporting workers aged 15-to-24 years, and disconnected, disadvantaged youth through the Skillsroad resources and into sustainable employment.

Policy Influence

The NSWBC is continually advocating to government on behalf of business to increase targeted skills shortage incentives for regional Australia, and in particular, those recently affected by the droughts.

In the last year, and as a result of these advocacy efforts, the NSW Government has committed \$156 million to address priority skill shortage areas through a new incentive for business and apprentices, as well as delivering a \$44 million Australian Apprenticeships program.



Customer statistics:

Apprenticeship Support Australia (ASA):

- Processed over \$47 million in government incentives to employers helping local communities thrive
- Assisted apprentices access more than \$30 million in government support
- Connected to customers by over 400,000 face-to-face visits, phone calls and/or electronic contacts
- Supported 25,000 young people with career advice, options and suitability recommendations
- Successfully mentored 3,500 apprentices through hurdles and risks to their Australian apprenticeship

Other:

- Skillsroad membership grew to over 285,000 members
- The Skillsroad Jobs Board has over 3,000 jobs listed and has received 35,000 applications
- ASA and Skillsroad websites had more than 660,000 unique visitors

21 YEARS

supporting Australian apprenticeships

30,000

respondents to the Census aged 15-24 years providing a deep understanding of the issues youth face

\$47 MILLION

in government incentives processed to employers helping local communities thrive

25,000

young people supported with career advice, options and suitability recommendations

285,000+

memberships of Skillsroad



Karyn Downs, Winner of Woman in a Non-Traditional Trade Award at the NSW Training Awards

Australian Business Lawyers & Advisors

2,500+

people attended workplace law education seminars

7,500+

participants in free online masterclasses

Providing practical and trusted advice to members and the business community across workplace relations, corporate, commercial and property law, Australian Business Lawyers & Advisors (ABLA) has experienced exciting growth this past year.

Employment and Workplace team

Following the firm's involvement in the Casual and Part-Time employment test case representing Australian Chamber of Commerce & Industry and NSW Business Chamber (NSWBC), ABLA represented NSWBC as it pursues a pioneering claim in the Fair Work Commission, seeking to introduce a new form of employment, 'the permaflexi' worker.

The claim filed by ABLA will allow employers to engage a casual workforce on a "flexible, ongoing basis"; enabling casuals to accrue leave and other entitlements in exchange for reduced casual loading. The proceedings could have implications across the entire modern award system.

ABLA has represented the Australian Childcare Alliance for the past five years, defending wage increases sought by the union that could cripple many businesses and families with dramatic rises in wages and fees.

ALBA continued its focus on training and educating business owners and HR professionals, with workplace law education seminars with over 2,500 people in Queensland, New South Wales, South Australia, Northern Territory and Tasmania attending.

We also provided free online masterclasses, with over 7,500 individuals registered, up 58% from last financial year.



Some of the ABLA team



The ABLA Corporate and Commercial team

Workplace Advice Unit

The Workplace Advice Unit continues to thrive, with a record number of over 26,500 workplace advice line calls taken.

Workplace Assured

Through Workplace Assured, ABLA has supported members and clients achieve compliance in workplace relations. Workplace Assured experienced 70% growth year-on-year.

Corporate and Commercial

The Corporate and Commercial team had a successful year. Highlights include:

- A significant digital migration project
- A group-wide privacy and data protection audit and implementation plan
- A multi-million-dollar corporate acquisition
- Corporate governance and business-critical IT transactions
- Managed the national leasing portfolio and assisted with other commercial property requirements
- The restructure, capital raising and stock exchange float of a water company
- The sale of a publicly listed gold mine in the Solomon Islands
- The sale of a large land development in Victoria
- A complex Employee Share Scheme for a soon-to-be-listed entity
- Preparation of a Bespoke Employee Remuneration Trust

Award recognition

ABLA continues to be recognised for excellence by peers and industry with the following accolades:

- 2019** Finalist Commercial Team of the Year – Australian Law Awards
- 2019** Winner Workplace and Employment Firm of the Year – Australian Law Awards
- 2019** Doyle’s Guide – Leading in Safety and Employment
- 2019** Doyle’s Guide – Leading in Employment law
- 2019** Finalist Employment Law Specialist Firm of the Year – Australasian Law Awards

26,500+

calls taken by the Workplace Advice Line

70%

growth year-on-year for Workplace Assured



Some of the ABLA Newcastle team

Australian Business Recruitment Solutions

With skills shortages becoming more evident in Australia, employers continue reporting increased difficulty in finding suitably skilled staff to keep their businesses competitive.

Australian Business Recruitment Solutions (ABRS), the workforce solutions arm of Australian Business Solutions Group (ABSG), remains committed to responding to the needs of those industries suffering most from a deficit of workers with the right skills.

Business operations

ABRS continued its growth and advances in technology to support the integration of acquired businesses and better serve its end customers, both employers and candidates. Additionally, the operations units were further streamlined to improve efficiencies and consolidate national accreditations in various quality areas. Lost time injury frequency rates dropped to below industry benchmarks, as did debtor days. The investment into apprenticeship training continued with the delivery of pre-apprenticeship courses and continuing professional development of on-hired workers.

Awards

The Director of Recruitment Solutions, David Stewart, took out the Recruitment Leader of the Year Award at the Recruitment, Consulting & Staffing Association (RCSA) Awards and Alliance Community was recognised as one of six finalists in the Operational Excellence category. Additionally, a number of trainees were also finalists in the State Training Awards.

Alliance Community, through its premium support services for people living with disability and the aged, continued its growth in in-home care.

Key statistics

- More than 12,000 on-hired workers were employed during the year.
- Over 300 pre-apprenticeship courses provided to aspiring apprentices leading to work experience and real apprenticeship opportunities.

Productivity Force

In addition to its traditional labour hire business, the Productivity Force joint venture with Productivity Bootcamp continued its training of young people with aspirations to enter the civil and construction industries.

Productivity Bootcamp has now graduated more than 1000+ young people with an employment success rate of 87%. Nearly 50 of these have been hired by Productivity Force in work crews on some of Sydney's major infrastructure projects such as the North Connects and Northern Road upgrades. NSW Business Chamber has invested nearly \$2m into the workforce development of Productivity Force as part of its commitment to skilling the youth of today for industry needs tomorrow.

In addition to the site at Quakers Hill, Productivity Bootcamp in association with NSW Business Chamber and funding from the Federal Government and Lendlease, opened a site in Penrith to train the youth of the region to meet the future skills needs of the infrastructure investment.

12,000+

on-hired workers were employed during the year

300+

pre-apprenticeship courses provided to aspiring apprentices

\$2 MILLION

invested by the NSW Business Chamber into the workforce development of Productivity Force



The Board of NSW Business Chamber

as at 30 June 2019

Nola Watson	Brett Manwaring
Ellie Brown	Greg McNamara
Judith Field	Warrick McLean
Lyall Gorman	Ian Penfold
Professor Trevor Cairney OAM	Terry Wetherall

NSW Business Chamber Councillors

as at 30 June 2019

Omar Afiouni	Stephen Grabowski	Grahame Nash
Sean Ashby	Amy Harper	Anne Parnham
Ellie Brown	Simon Harrop	Ian Pedersen
Professor Trevor Cairney OAM	Katherine O'Regan	Ian Penfold
Glen Creecy	Bruce Mackenzie	Daniel Rowan
Janine Cullen OAM	Brett Manwaring	Frank Sammut
Rodney Dever	Warrick McLean	Andrew Vlachos
Tony Dormer	Gregory McNamara	John Wakeling
Rob Drage	Michael Mekhitarian	Nola Watson
Hennie du Plooy	Daniel Meyer	Terry Wetherall
Scott Emerson	Brian Millar	Kerry Wilson
Judith Field	Natalie Mitchell	Orit Karny Winters
Gary Fox	Graham Morgan	
Lyall Gorman	David Mumford	

FINANCIAL REPORT - 30 JUNE 2019

NSW Business Chamber Limited
ABN 63 000 014 504

NSW Business Chamber Limited
Directors' report
30 June 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of NSW Business Chamber Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The following persons were directors of NSW Business Chamber Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

N Watson (President)
L N Gorman (Vice President)
E T Brown
T H Cairney
J R Field
B A Manwaring
W McLean
G J McNamara
I B Penfold
T C Wetherall

Objectives

The consolidated entity's core mission is to create a better Australia by maximising the outcome and potential of Australian businesses.

The consolidated entity's vision encompasses being NSW's premier business organisation for small and medium-sized enterprises ('SME'), mid-sized and large businesses; the recognised strong and respected voice for business in NSW; the pre-eminent Thought Leader and advocate for business; and to invigorate business through the delivery of a wide range of relevant, quality and innovative advice, services and solutions available to all businesses wherever located.

Strategy for achieving the objectives

The consolidated entity's strategy to deliver on its vision includes:

- Attracting, developing and retaining the best and the brightest talent in the market;
- Investing in enabling technology to support stability, member/client engagement and product/service delivery and innovation;
- Focusing on research and business engagement to develop thought leadership reports that address issues impacting on business;
- Profitable growth through a concentration on core activities and competencies and through targeted acquisitions;
- Considered, effective and relevant governance to maximise the value provided to members, clients and the wider business community;
- Maximising returns from a diversified investment portfolio to support its activities and to fund strategic projects as well as capability development to anticipate and pro-actively deliver on business needs; and
- Championing a collaborative chamber network to exert impactful influence on government at all levels, local, state and federal, to benefit business and the wider Australian community.

Principal activities

During the financial year, the principal activity of the consolidated entity continued to be an employer association, to promote, encourage, maintain and assist the manufacturing industry, trade and commerce in Australia through the provision of business services, support and advocacy.

Significant events

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

NSW Business Chamber Limited
Directors' report
30 June 2019

Performance measures

The consolidated entity's performance is constantly measured against the following key performance indicators:

- Financial performance to budget, forecast and benchmark;
- Member retention;
- Client satisfaction;
- Employee engagement;
- Policy and advocacy outcomes;
- Media effectiveness; and
- Various operational metrics appropriate to specific business activities.

Information on directors

Name:	Nola Watson FAICD
Title:	President
Qualifications:	BA (Syd) Master Public Policy (ANU), Advanced Management Program (INSEAD), Advanced Risk Management Program (Wharton)
Experience and expertise:	Nola was appointed President and Chairman in February 2018. She has been a director of the NSW Business Chamber since 2014 and was previously the Chair of the Audit, Risk and Compliance Committee and the Business Environment & Economics Committee. She is a Director of the Australian Chamber of Commerce and Industry. She is also the Chair of the International Chamber of Commerce - Australia.
	Nola is an experienced company director with a strong executive career in risk management, governance and business strategy. She is the Principal of Indar Business Consulting. For over a decade, she has held executive leadership roles in one of Australia's largest insurance companies, Insurance Australia Group (IAG). Prior to this, Nola spent many years in senior executive positions within the Commonwealth and New South Wales governments. Nola has been a Director of the IAG and NRMA Superannuation Board and Chair of its Audit and Risk Committee. She was also a Director of Australian Services Roundtable, Business for Millennium Development and the State Records Authority of NSW.
Special responsibilities:	Ex-officio of all Committees

NSW Business Chamber Limited
Directors' report
30 June 2019

Name: Lyall N Gorman
Title: Vice President
Qualifications: Dip Teach, BEd, MEd Admin
Experience and expertise: Lyall is a councillor of NSW Business Chamber and was elected to the Board in 2014. He is currently the Chief Executive Officer of Evolve Housing and the Head of Property and Investments of the Manly Sea Eagles and was previously the Group Chief Executive Officer of the Cronulla Sharks. He is currently a Director of Cricket NSW. In June 2017 he was appointed as Chair of the Parramatta Park Trust. In June 2010 he was appointed by Football Federation Australia as Head of the Hyundai A-League and in May 2012 as the founding Executive Chairman of the Western Sydney Wanderers, a position he held until July 2014. Lyall is the former Executive Director of an Australian Securities Exchange ('ASX') listed public company (a merchant bank and investment holding company specialising in corporate finance, corporate advisory, strategic investment, property and asset management) and was formerly its Executive Director of Finance and Administration. He was the founding Chief Executive Officer and subsequently Executive Chairman of the Central Coast Mariners, one of the eight founding clubs in the Hyundai A-League. Lyall was extensively involved as the NSW Manager for the implementation and management of the Commonwealth Government Block Grant Authority capital construction program involving the assessment of project viability, risk analysis, financial overseeing and monitoring of the construction of property projects valued in excess of \$50 million per annum.

Special responsibilities: Chair of the Human Resources & Succession Committee and Member of the Investment Committee

Name: Eleanor T Brown
Title: Non-executive director
Qualifications: BBus: Marketing, WLA Advanced Leadership Program Cert IV TAE, Cert IV Beauty Therapy, GAICD
Experience and expertise: Ellie joined the NSW Business Chamber as a Councillor in 2005 before being elected to the Board in 2012, she was previously the Chair of the Human Resources & Succession Committee. Ellie is the Principal of Ellie Brown Business Solutions, a business consulting company specialising in working with small to medium businesses, focusing on strategy, change and leadership development. She also works for TAFE NSW, Management Services, and Women in Leadership Australia as a Senior Facilitator and Executive Coach. Previously Ellie was the owner-operator of multi-site/multi-discipline small businesses in regional NSW. Ellie joined the Local Chamber movement over 20 years ago. Ellie was the President of the Orange Business Chamber, the founding President of the Central West Business Chamber before joining the NSW Business Chamber as a Councillor. Ellie was named in the Australian Financial Review and Westpac 100 Women of Influence Awards and Orange Electorate Woman of the Year, for her work within the business community and her involvement with the Business Chamber.

Special responsibilities: Member of the Human Resources & Succession Committee

NSW Business Chamber Limited
Directors' report
30 June 2019

Name: Professor Trevor H Cairney OAM
Title: Non-executive director
Qualifications: BA, M. Litt, PhD, GAICD
Experience and expertise: Trevor is immediate Past President of NSW Business Chamber, has been a director of the NSW Business Chamber since 2007, and is Chairman of Australian Business Lawyers & Advisors ('ABLA'). He is currently also Head of the Moore College Foundation and Chief Executive Officer of Higher Education Solutions Pty Ltd. He is also a member of the Australian Industry Skills Committee (AISC) as NSW representative. He has filled varied roles in business and business organisations as a Chief Executive Officer and Director. His directorships and chairmanships include educational and technology-based companies, as well as industry bodies. Trevor has extensive experience within higher education at varied institutions as a Professor, Dean, and Pro Vice-chancellor (Research and Development). He has degree specialisations in Psychology, Economics and Education. He has published over 300 articles and book chapters, 10 books and has led 35 funded research projects valued at over \$3mill. He is a Life Fellow of the University of New South Wales and an Honorary Professor at The University of Sydney. In 2012, he received an Order of Australia award for his "service as an academic, educator and administrator, as well as to business through his varied leadership roles".

Special responsibilities: Member of the Audit, Risk and Compliance Committee

Name: Judith R Field
Title: Non-executive director
Qualifications: Dip Teach: Early Childhood Education, MAICD
Experience and expertise: Judith joined Lendlease in 2002 and has had various roles within the Communities business with a strong focus on economic and social sustainability across NSW on projects such as Jordan Springs, Ropes Crossing, Calderwood Valley and Fig Tree Hill. Prior to Lendlease, Judith worked for 11 years at the University of Western Sydney in various roles in business development and research commercialisation. Her career has included early childhood teaching; retail and marketing experience as buyer/senior buyer with the Myer Group; and operation of her own successful marketing consultancy company for six years. Judith has been active in the Western Sydney region through a number of organisations including Penrith Valley Chamber of Commerce where she was a member of the Executive Committee as Vice President and President; as Vice Chairperson of the Board of Mamre Plains Ltd; as a Board Member of Penrith Business Alliance, and Chair of its Finance and Risk Committee. She was appointed to the Board of Western Sydney Parklands Trust in July 2018. Judith has been a Councillor on NSW Business Chamber since 2005; a director since 2016; she chaired the Skills Committee from 2006 to 2018; and was a member of the Investment Committee from 2016 to 2018.

Special responsibilities: Member of the Human Resources & Succession Committee

NSW Business Chamber Limited
Directors' report
30 June 2019

Name: Brett A Manwaring
Title: Non-executive director
Qualifications: B.Econ (Accounting), Six Sigma (Green Belt)
Experience and expertise: Brett joined NSW Business Chamber as a councillor in 2009 before being elected to the Board in 2012. Brett is a former director of the Illawarra Business Chamber, current joint Trustee of the Illawarra First Fund and is currently Chief Operating Officer for a national rugby league club. Prior to this Brett's background includes: 9 years as a director with Australasian advisory firm PPB Advisory; 5 years as Chief Operating Officer and Chief Financial Officer of a major Australian based textiles manufacturing, wholesale and distribution group; and in excess of 10 years banking and finance experience, including roles with GE Capital, St. George Bank and the Commonwealth Bank of Australia.

Special responsibilities: Chair of the Audit, Risk and Compliance Committee and Member of the Investment Committee

Name: Warrick McLean
Title: Non-executive director
Qualifications: MBA, GradDipFinMan, BA
Experience and expertise: Warrick first joined NSW Business Chamber as a Councillor in 2014, having been a former Vice President and Past President of Western Sydney First and was appointed to the Board in 2018. Warrick is the Chief Executive Officer and a Principal of Coleman Greig Lawyers, Western Sydney's largest commercial law firm based in Parramatta, Norwest and Penrith. Warrick is an experienced leader with a proven record in creating change through organisational transformation and process redesign. Warrick has over 20 years' experience in senior leadership roles within professional service organisations in Sydney and regional NSW. His success has been demonstrated through a track record of growing professional services firms, and creating sustainable performance improvement. His high level interpersonal skills allow him to genuinely engage with stakeholders at all levels. He is a former Member of Parramatta Local Residents Advisory Committee and former member of the City of Parramatta/Riverside Theatre Advisory Board. He is a Member of the Local Resident Representative - City of Parramatta Local Planning Panel. He is the past President of Australasian Legal Practice Management Association ('ALPMA').

Special responsibilities: Member of the Audit, Risk and Compliance Committee

Name: Gregory J McNamara
Title: Non-executive director
Qualifications: MAICD
Experience and expertise: Greg joined NSW Business Chamber as a councillor in 2013 before being elected to the Board in 2014. Greg has spent his entire life working in the agricultural sector, firstly as a dairy share farmer, then moving to farm ownership in his mid-twenties. Greg currently runs a 300-strong dairy herd in partnership with his wife Sue and son Todd at Goolmangar, near Lismore. Greg has been a Director of Norco Co-operative Limited since 1996 and, in addition, has held the position of Chairman of the Board of Directors since 1999. Greg is a Member of the Northern Rivers Cooperatives Alliance, and Chair of Australian Organic Industries.

Special responsibilities: Chair of the Investment Committee and Member of the Human Resources & Succession Committee

NSW Business Chamber Limited
Directors' report
30 June 2019

Name: Ian B Penfold
Title: Non-executive director
Qualifications: FAICD
Experience and expertise: Ian was appointed to the Board of Australian Chamber of Commerce and Industry in 2007. He is a Past President and has been a councillor of NSW Business Chamber since 1997. An experienced Chairman and Chief Executive, Ian's particular skills and experience were acquired as the head of major corporations with licenses for well-known international retail brands. Ian is a former Chairman and Managing Director of Speedo Australia, and Chairman and President of Pentland Australia, which in addition to Speedo, owned the license for other international brands including Lacoste and Ellesse. He is also a former Managing Director of Cork International, a leading consumer products business with international brands and of Charles Parsons & Company Pty Ltd, a major subsidiary of the Charles Parsons Group – a multi-faceted supplier and converter of textile products in Australia. He was also Chairman of Australian Business Lawyers & Advisors. Ian was also Defence Reserves Support Council Sydney Metropolitan Regional Chairman, Director, Hunter Business Chamber and Committee Member, Corrective Industries Consultative Committee.
Special responsibilities: Member of the Audit, Risk and Compliance Committee

Name: Terence C Wetherall
Title: Non-executive director
Qualifications: GradDip in Urban Planning, Associate Diploma in Property Valuation, GAICD, Graduate Australian Institute of Superannuation Trustees-GAIST, Justice of the Peace
Experience and expertise: Terry has been a councillor of NSW Business Chamber since 2001. He has over 28 years' experience in providing a range of specialist town planning and property valuation services. Terry operates his business, TCW Consulting in Wollongong. He has held numerous senior positions in the Illawarra, including President of the Wollongong Chamber of Commerce and President of the Illawarra Business Chamber. He is a member of various professional associations, including the Australian Property Institute ('API') and Planning Institute of Australia ('PIA'). Terry is a respected opinion leader within the property industry, particularly for his understanding of regional issues. He is also the Immediate Past President of Australian Chamber of Commerce and Industry. Terry is also Chair of CareSuper.
Special responsibilities: Member of the Investment Committee

NSW Business Chamber Limited
Directors' report
30 June 2019

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Investment	
	Attended	Held	Attended	Held
N Watson*	6	6	4	4
L N Gorman	6	6	2	4
E T Brown	6	6	-	-
T H Cairney	5	6	-	-
J R Field	6	6	-	-
B A Manwaring	6	6	4	4
W McLean	6	6	3	4
G J McNamara	6	6	4	4
I B Penfold	5	6	-	-
T C Wetherall	5	6	2	4

	Audit, Risk & Compliance		Human Resources & Succession	
	Attended	Held	Attended	Held
N Watson*	3	3	4	4
L N Gorman	-	-	4	4
E T Brown	-	-	3	4
T H Cairney	3	3	-	-
J R Field	-	-	4	4
B A Manwaring	3	3	-	-
W McLean	2	3	-	-
G J McNamara	-	-	4	4
I B Penfold	2	3	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* The President is an ex officio member of all Committees.

Company secretary

Chris Burubu (LLB (Hons), BA, GAICD) was appointed to the role of General Counsel & Company Secretary in 2017. Chris has 19 years of legal experience, with expertise in mergers and acquisitions, private equity, capital markets and general commercial law. Chris was previously the General Counsel of Transfield Holdings and has also held legal roles at AMP, Lazard and MinterEllison.

Corporate governance

The consolidated entity is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board considers that the governance framework and adherence to that framework are fundamental in demonstrating that the directors are accountable to stakeholders and are appropriately overseeing the management of risk and the future direction of the consolidated entity. The Board voluntarily provides a corporate governance statement to enhance transparency and communication with stakeholders in relation to its corporate governance practices. The latest corporate governance statement, which was approved by the Board at the same time as the financial statements, can be found at:

<http://www.nswbusinesschamber.com.au/About/Governance>

NSW Business Chamber Limited
Directors' report
30 June 2019

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each.

The total amount that members of the company are liable to contribute if the company is wound up is \$45,910 (2018: \$49,620) based on 4,591 (2018: 4,962) current ordinary members.

The Constitution does not permit the return of capital or the distribution of surplus by way of dividend to members.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

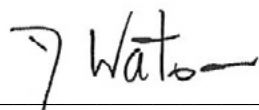
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 9 and forms part of the Directors' report.

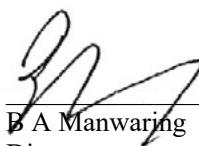
PricewaterhouseCoopers continues in office in accordance with Section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



N Watson
Director



B A Manwaring
Director

17 September 2019
Sydney



Auditor's Independence Declaration

As lead auditor for the audit of NSW Business Chamber Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of NSW Business Chamber Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'James McElvogue', is written over a faint, light-colored signature line.

James McElvogue
Partner
PricewaterhouseCoopers

Sydney
17 September 2019

PricewaterhouseCoopers, ABN 52 780 433 757

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NSW Business Chamber Limited

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General information

The financial statements cover NSW Business Chamber Limited as a consolidated entity consisting of NSW Business Chamber Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is NSW Business Chamber Limited's functional and presentation currency.

NSW Business Chamber Limited is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 15
140 Arthur Street
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 September 2019. The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available on the company website:
www.nswbusinesschamber.com.au

NSW Business Chamber Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 \$'000	2018 \$'000
Revenue	3	247,444	236,891
Gains and investment income	4	18,450	26,525
Interest revenue calculated using the effective interest method		183	231
Government grants	5	8,326	7,481
Expenses			
Advertising and marketing expense		(4,163)	(3,093)
Direct salary and other costs of providing services		(158,619)	(151,457)
Consultants, governance, legal and professional expenses		(5,222)	(5,401)
Employee benefits expense		(76,336)	(75,379)
Events and training		(4,931)	(5,248)
Depreciation and amortisation expense	6	(768)	(1,203)
Finance and investment costs		(1,947)	(1,675)
Impairment of receivables		(215)	(160)
Information technology expense		(4,256)	(4,421)
Motor vehicle expense		(3,127)	(2,949)
Rent, building and occupancy costs		(7,045)	(6,190)
Telecommunication expense		(2,655)	(3,163)
Travel and entertaining expense		(2,727)	(2,462)
Other expenses		(4,139)	(4,005)
Surplus/(deficit) before income tax expense		(1,747)	4,322
Income tax expense	7	(531)	(80)
Surplus/(deficit) after income tax expense for the year		(2,278)	4,242
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(2,278)	4,242
Surplus/(deficit) for the year is attributable to:			
Non-controlling interest		(325)	(896)
Members of NSW Business Chamber Limited		(1,953)	5,138
		(2,278)	4,242
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(325)	(896)
Members of NSW Business Chamber Limited		(1,953)	5,138
		(2,278)	4,242

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

NSW Business Chamber Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated	
		2019	2018
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		10,543	10,998
Trade and other receivables	8	35,855	32,550
Financial assets at fair value through profit or loss	9	190,809	195,557
Income tax receivable		-	199
Investments in cash managed trusts	10	86,484	94,917
Other	11	5,411	4,743
Total current assets		<u>329,102</u>	<u>338,964</u>
Non-current assets			
Property, plant and equipment	12	1,484	1,651
Intangibles	13	40,670	29,464
Total non-current assets		<u>42,154</u>	<u>31,115</u>
Total assets		<u>371,256</u>	<u>370,079</u>
Liabilities			
Current liabilities			
Trade and other payables	14	20,826	17,533
Income tax payable		609	-
Employee benefits	15	7,594	7,856
Provisions	16	4,031	5,210
Other	17	8,139	7,336
Total current liabilities		<u>41,199</u>	<u>37,935</u>
Non-current liabilities			
Employee benefits	18	2,293	2,052
Provisions	19	601	651
Total non-current liabilities		<u>2,894</u>	<u>2,703</u>
Total liabilities		<u>44,093</u>	<u>40,638</u>
Net assets		<u>327,163</u>	<u>329,441</u>
Equity			
Retained surpluses		328,404	330,357
Equity attributable to the members of NSW Business Chamber Limited		328,404	330,357
Non-controlling interest		(1,241)	(916)
Total equity		<u>327,163</u>	<u>329,441</u>

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

NSW Business Chamber Limited
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Retained surpluses \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2017	325,219	(20)	325,199
Surplus/(deficit) after income tax expense for the year	5,138	(896)	4,242
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	<u>5,138</u>	<u>(896)</u>	<u>4,242</u>
Balance at 30 June 2018	<u>330,357</u>	<u>(916)</u>	<u>329,441</u>

Consolidated	Retained surpluses \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2018	330,357	(916)	329,441
Deficit after income tax expense for the year	(1,953)	(325)	(2,278)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	<u>(1,953)</u>	<u>(325)</u>	<u>(2,278)</u>
Balance at 30 June 2019	<u>328,404</u>	<u>(1,241)</u>	<u>327,163</u>

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

NSW Business Chamber Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated	
		2019	2018
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		270,731	256,254
Payments to suppliers and employees (inclusive of GST)		(299,049)	(286,502)
Receipts from members (inclusive of GST)		6,806	6,748
Income taxes refunded/(paid)		276	(104)
Interest received		183	231
		<u> </u>	<u> </u>
Net cash used in operating activities	30	<u>(21,053)</u>	<u>(23,373)</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	27	(6,677)	(500)
Proceeds from/(payments for) investments		11,230	(1,264)
Payments for property, plant and equipment	12	(363)	(467)
Payments for intangibles	13	(4,340)	(80)
Proceeds from disposal of property, plant and equipment		-	111
Dividends and investment income		20,748	24,648
		<u> </u>	<u> </u>
Net cash from investing activities		<u>20,598</u>	<u>22,448</u>
Cash flows from financing activities			
		<u> </u>	<u> </u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(455)	(925)
Cash and cash equivalents at the beginning of the financial year		10,998	11,923
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year		<u>10,543</u>	<u>10,998</u>

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

Note 1. Significant accounting policies

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.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following new, revised or amending Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. The financial impact of adoption on opening retained profits as at 1 July 2018 was nil. The disclosure of certain items has been impacted as follows:

- interest revenue is now presented on the face of the profit or loss; and
- provision for doubtful debts is now reclassified as allowance for expected credit losses.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASB') and Interpretations issued by the Australian Accounting Standards Board, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

These financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investments in cash managed trusts.

Note 1. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NSW Business Chamber Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. NSW Business Chamber Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. (Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment). Dividends received or receivable from associates reduce the carrying amount of the investment.

Note 1. Significant accounting policies (continued)

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, rebates and amounts collected on behalf of third parties.

Fee for services and other related income

Fee for service, including apprenticeship placement fees and legal services income, are brought to account on delivery of service in accordance with engagement letters or other relevant contracts or agreements.

Other products' income is brought to account when goods are despatched to a customer pursuant to a sales order and the associated risks and rewards have passed to the customer.

Recruitment services

Recruitment services income is brought to account when on-hire staff provide services in accordance with the recruitment contract.

Membership fees

Membership fees comprise annual subscriptions and are recognised as revenue on a monthly basis over the period of membership.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Investment income

Dividend income is recognised when it is received or when the right to receive payment is established.

Interest income from managed investments is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Grants from government are recognised when received.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

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

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

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 1. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	2-10 years
Furniture, fixtures and equipment	2-10 years
Motor vehicles	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 1. Significant accounting policies (continued)

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Client lists

Client lists acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of between two and five years.

Software development

Software development acquired in a business combination is capitalised at the fair value on acquisition. Costs incurred in developing products or systems and costs incurred in acquiring software and licences include the external direct costs of materials and services. An intangible asset arising from software development expenditure on an internal project is recognised only when the consolidated entity can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Capitalised software development is amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between three and five years. Amortisation commences when the asset is available for use.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for employee benefits leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long-term employee benefits

Liabilities for employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The consolidated entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 1. Significant accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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

Comparatives

Comparatives have been reallocated to be aligned with current year presentation. The reallocations did not affect profit, assets, liabilities or equity.

Note 1. Significant accounting policies (continued)

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019 for not-for-profit ('NFP') entities. The standard provides a single standard for revenue recognition and replaces AASB 118 'Revenue', AASB 111 'Construction Contracts' and Interpretation 12 'Service Concession Arrangements'. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The consolidated entity will adopt this standard from 1 July 2019 and management will be assessing the estimated impact in FY2020.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. For lessee accounting, the standard eliminates the 'operating lease' and 'finance lease' classification required by AASB 117 'Leases'. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) components. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and the impact of its adoption will be that operating leases, such as those detailed in note 24, will be brought onto the statement of financial position with a corresponding liability. The actual amount will depend on the operating leases held on the date of adoption and any transitional elections made.

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard supersedes AASB 1004 'Contributions and clarifies and simplifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15. The requirements of this standard more closely reflect the economic reality of NFP entity transactions that are not contracts with customers. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. The consolidated entity will adopt this standard at the same time as AASB 15 and management will be assessing the estimated impact in FY2020.

Note 1. Significant accounting policies (continued)

New Conceptual Framework for Financial Reporting

A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the consolidated entity has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the consolidated entity may need to revisit such policies.

Other amending accounting standards

Other amending accounting standards issued but not mandatory are not considered to have a significant impact on the financial statements of the consolidated entity as they provide either clarification of existing accounting treatment or editorial amendments.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make certain judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows (Refer to note 13).

Impairment of non-financial assets other than goodwill

The consolidated entity assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Control of entities where less than half of voting rights held

Management have determined that the consolidated entity controls Hunter Business Chamber Limited, even though it holds no voting rights of this Chamber. Control is established via contractual agreements.

Management have determined that the consolidated entity controls Productivity Force Holdings Pty Ltd, even though it holds only 50% of the voting rights of this company. Control is established via contractual agreements.

Management have also determined that the consolidated entity has control over Australian Business Foundation Limited, CBD Sydney Chamber of Commerce Limited, Illawarra Business Chamber, Sydney Chamber of Commerce and Business Australia, companies limited by guarantee. Control is established via sole membership and voting rights that the parent entity has in these entities.

Note 3. Revenue

	Consolidated	
	2019	2018
	\$'000	\$'000
<i>Revenue from contracts with customers</i>		
Fee for service and other related income	49,880	47,531
Recruitment services	191,298	183,132
Membership fees	6,194	6,141
	<u>247,372</u>	<u>236,804</u>
<i>Other revenue</i>		
Rents and sub-lease rentals	72	87
Revenue	<u>247,444</u>	<u>236,891</u>

NSW Business Chamber Limited
Notes to the financial statements
30 June 2019

Note 4. Gains and investment income

	Consolidated	
	2019	2018
	\$'000	\$'000
Net fair value (loss)/gain on investments	(1,302)	2,080
Net loss on disposal of assets	(996)	(203)
Dividend income	19,767	23,746
Interest income from managed investments	981	902
	<u>18,450</u>	<u>26,525</u>
Gains and investment income	<u>18,450</u>	<u>26,525</u>

Note 5. Government grants

	Consolidated	
	2019	2018
	\$'000	\$'000
Government grants	<u>8,326</u>	<u>7,481</u>

Government grants are recognised as income in the financial year the grant is received. A number of these grants extend into the following financial year and will be acquitted in accordance with the terms of the grants. There are no unfulfilled conditions or contingencies relating to the current financial year attached to these grants. The consolidated entity did not benefit from any other forms of government assistance.

Note 6. Expenses

	Consolidated	
	2019	2018
	\$'000	\$'000
Surplus/(deficit) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	302	825
Furniture, fixtures and equipment	247	273
Motor vehicles	14	20
Total depreciation	<u>563</u>	<u>1,118</u>
<i>Amortisation</i>		
Client lists	64	69
Software development	141	16
Total amortisation	<u>205</u>	<u>85</u>
Total depreciation and amortisation	<u>768</u>	<u>1,203</u>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	<u>7,413</u>	<u>7,926</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>17,603</u>	<u>17,253</u>

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Note 7. Income tax expense

	Consolidated	
	2019	2018
	\$'000	\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Surplus/(deficit) before income tax expense	(1,747)	4,322
Tax at the statutory tax rate of 30%	(524)	1,297
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax exempt loss/(income)	689	(1,863)
Tax loss/(income)	366	646
Income tax expense	531	80

	Consolidated	
	2019	2018
	\$'000	\$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	18,361	17,604
Potential tax benefit @ 30%	5,508	5,281

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. These tax losses reside in a subsidiary of the company that itself is subject to income tax.

Note 8. Current assets - trade and other receivables

	Consolidated	
	2019	2018
	\$'000	\$'000
Trade receivables	27,769	25,927
Less: Provision for doubtful debts	-	(543)
Less: Allowance for expected credit losses	(550)	-
	27,219	25,384
Other receivables	8,636	7,166
	35,855	32,550

Allowance for expected credit losses

The consolidated entity has reversed \$81,000 (2018: recognised a reversal of \$24,000) in profit or loss in respect of impairment of receivables for the financial year ended 30 June 2019.

Note 8. Current assets - trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2019 %	Carrying amount 2019 \$'000	Allowance for expected credit losses 2019 \$'000
Not overdue	0.015%	14,718	2
30 days overdue	0.040%	6,109	2
60 days overdue	0.460%	2,221	10
Over 90 days overdue	11.350%	4,721	536
		<u>27,769</u>	<u>550</u>

Movements in the allowance for expected credit losses (2018: provision for doubtful debts) are as follows:

	Consolidated	
	2019 \$'000	2018 \$'000
Opening balance	543	1,175
Additional provisions recognised	288	231
Loan forgiveness *	-	(573)
Receivables written off during the year as uncollectable	(48)	(184)
Unused amounts reversed	(233)	(106)
Closing balance	<u>550</u>	<u>543</u>

* During the previous year a loan provided to Australian Business Foundation, a 100% owned subsidiary, was formally forgiven. As the loan was previously provided for, there was no financial impact on the consolidated entity's results.

Note 9. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	2019 \$'000	2018 \$'000
Shares and units in public entities	110,721	114,268
Shares and units in unrelated entities (including equity and pool trusts)	40,751	39,860
Other investments (including corporate bonds and investment trusts)	39,337	41,429
	<u>190,809</u>	<u>195,557</u>

Refer to note 21 for further information on fair value measurement.

Note 10. Current assets - investments in cash managed trusts

	Consolidated	
	2019	2018
	\$'000	\$'000
Investments in cash managed trusts	85,332	93,795
Illawarra First Fund	<u>1,152</u>	<u>1,122</u>
	<u>86,484</u>	<u>94,917</u>

The purpose of the Illawarra First Fund is to provide funding for strategic business leadership in the Illawarra region.

Note 11. Current assets - other

	Consolidated	
	2019	2018
	\$'000	\$'000
Prepayments	2,548	2,111
Lease incentives	<u>2,863</u>	<u>2,632</u>
	<u>5,411</u>	<u>4,743</u>

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2019	2018
	\$'000	\$'000
Leasehold improvements - at cost	8,975	8,725
Less: Accumulated depreciation	<u>(8,470)</u>	<u>(8,169)</u>
	<u>505</u>	<u>556</u>
Furniture, fixtures and equipment - at cost	2,152	2,008
Less: Accumulated depreciation	<u>(1,210)</u>	<u>(964)</u>
	<u>942</u>	<u>1,044</u>
Motor vehicles - at cost	145	145
Less: Accumulated depreciation	<u>(108)</u>	<u>(94)</u>
	<u>37</u>	<u>51</u>
	<u>1,484</u>	<u>1,651</u>

NSW Business Chamber Limited
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Note 12. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improve- ments \$'000	Furniture, fixtures and equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2017	1,486	1,074	56	2,616
Additions	73	365	29	467
Disposals	(178)	(122)	(14)	(314)
Depreciation expense	(825)	(273)	(20)	(1,118)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2018	556	1,044	51	1,651
Additions	248	115	-	363
Additions through business combinations (note 27)	3	30	-	33
Depreciation expense	(302)	(247)	(14)	(563)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	<u>505</u>	<u>942</u>	<u>37</u>	<u>1,484</u>

Note 13. Non-current assets - intangibles

	Consolidated	
	2019 \$'000	2018 \$'000
Goodwill - at cost	38,406	31,335
Less: Impairment	(2,000)	(2,000)
	<hr/>	<hr/>
	36,406	29,335
Client lists - at cost	839	839
Less: Accumulated amortisation	(839)	(775)
	<hr/>	<hr/>
	-	64
Software development - at cost	7,659	3,319
Less: Accumulated amortisation	(3,395)	(3,254)
	<hr/>	<hr/>
	4,264	65
	<hr/>	<hr/>
	<u>40,670</u>	<u>29,464</u>

Note 13. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Client lists \$'000	Software develop- ment \$'000	Total \$'000
Balance at 1 July 2017	29,335	133	1	29,469
Additions	-	-	80	80
Amortisation expense	-	(69)	(16)	(85)
Balance at 30 June 2018	29,335	64	65	29,464
Additions	-	-	4,340	4,340
Additions through business combinations (note 27)	7,071	-	-	7,071
Amortisation expense	-	(64)	(141)	(205)
Balance at 30 June 2019	<u>36,406</u>	<u>-</u>	<u>4,264</u>	<u>40,670</u>

Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated 2019 \$'000	2018 \$'000
Australian Business Recruitment Solution Group (ABRS)	34,771	27,700
Others	1,635	1,635
	<u>36,406</u>	<u>29,335</u>

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on financial budgets approved by management. The cash flow projections covers a five-year period, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. The key assumptions were as follows:

Assumption	Description	2019 %	2018 %
Forecast revenue	Projected revenue growth rate for initial five-year period, determined with reference to historical experience.	3.50	3.00
Terminal value growth rate	Terminal value growth rate determined with reference to the industries in which the consolidated entity operates. For ABRS this is the healthcare industry.	2.00	3.00
Pre-tax discount rate	Based on weighted average cost of capital which reflects the time value of money and risks specific to the CGU.	17.00	21.00

Note 13. Non-current assets - intangibles (continued)

Based on the value-in-use calculations, the goodwill's recoverable amount exceeded the carrying amount and therefore no impairment was required.

Sensitivity analysis

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- (a) Terminal value growth rate would need to decrease by more than 1.0% and the discount rate would be required to increase by 4.4%, before goodwill would need to be impaired, with all other assumptions remaining constant.
- (b) The discount rate would be required to increase by 4.8% before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the cash generating units for which goodwill has been allocated would not cause the carrying amount to exceed its recoverable amount.

Note 14. Current liabilities - trade and other payables

	Consolidated	
	2019	2018
	\$'000	\$'000
Trade payables	1,626	471
Refundable carnet premiums	1,888	2,390
Other payables	17,312	14,672
	<u>20,826</u>	<u>17,533</u>

Refer to note 20 for further information on financial instruments.

Note 15. Current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$'000	\$'000
Employee benefits	7,001	7,203
Redundancies	593	653
	<u>7,594</u>	<u>7,856</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes 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 is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 15. Current liabilities - employee benefits (continued)

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2019	2018
	\$'000	\$'000
Employee benefits	3,358	3,717

Note 16. Current liabilities - provisions

	Consolidated	
	2019	2018
	\$'000	\$'000
Deferred lease incentives	2,806	3,000
Lease make good	98	179
Long-term incentives	445	522
Short-term incentives	682	1,509
	4,031	5,210

Refer to note 19 for explanation and movements in provisions.

Note 17. Current liabilities - other

	Consolidated	
	2019	2018
	\$'000	\$'000
Deferred revenue on workplace employment services	2,206	1,664
Membership fee and subscription fee received in advance	5,733	5,468
Subsidies and grants received in advance	200	204
	8,139	7,336

Note 18. Non-current liabilities - employee benefits

	Consolidated	
	2019	2018
	\$'000	\$'000
Employee benefits	2,293	2,052

Note 19. Non-current liabilities - provisions

	Consolidated	
	2019	2018
	\$'000	\$'000
Long-term incentives	381	511
Lease make good	220	140
	<u>601</u>	<u>651</u>

Deferred lease incentives

The provision represents operating lease incentives received. The incentives are allocated to profit or loss in such a manner that the rent expense is recognised on a straight-line basis over the lease term.

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Long-term and short-term incentives

The provision represents the estimated value of incentives recommended by management to be paid to employees.

Movements in provisions

Movements in each class of provision (current and non-current) during the current financial year, other than employee benefits, are set out below:

Consolidated - 2019	Deferred lease incentives \$'000	Lease make good \$'000	Long-term incentives \$'000	Short-term incentives \$'000
Carrying amount at the start of the year	3,000	319	1,033	1,509
Additional provisions recognised	719	81	508	(23)
Amounts used	(913)	(82)	-	-
Payments	-	-	(715)	(804)
	<u>2,806</u>	<u>318</u>	<u>826</u>	<u>682</u>
Carrying amount at the end of the year				

Note 20. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks, market risk (price and interest rate risk), credit risk and liquidity risk. The consolidated entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the long-term financial performance of the consolidated entity.

Risk management for the consolidated entity is carried out by a centralised finance and treasury function under policies approved by the Board of Directors. An Audit, Risk & Compliance Committee operates under a charter approved by the Board, monitoring the management of operational, financial and business risk in the consolidated entity. Risk management policies are reviewed by the Board on a regular basis.

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 price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 20. Financial instruments (continued)

Investment policy

The Investment Committee, a committee of the Board, is responsible for monitoring the performance of the appointed investment consultant, custodian and investment managers. The Investment Committee reviews the investment policy to assess the ability of the portfolio structure to successfully meet the objectives of the portfolio and recommends changes to the Board.

The consolidated entity maintains an investment portfolio for the purpose of providing an annual sustainable distribution to finance ongoing activities, including operational expenses and strategic investments. The investment strategy and asset allocation recognises the tax status of NSW Business Chamber Limited as an employer association which is exempt from Australian income tax and which derives no economic benefit from imputation credits attaching to dividends from investments in shares of Australian companies.

The investment objectives for the portfolio is to generate a total return which, when averaged over the total lifetime of the portfolio, will exceed the rate of inflation, as measured by the consumer price index ('CPI'), by at least 3.5% per annum. Maximisation of this long-term return is subject to preserving the real value of the portfolio in perpetuity, which is dependent on the draw-downs as mentioned below.

The portfolio is diversified by asset class and active management process to reduce the risk from failure of individual investments and managers and to reduce volatility of the portfolio valuation. Diversification is in accordance with asset allocation ranges as set forth in the Strategic Asset Allocation as approved by the Investment Committee.

Investment managers which make use of derivatives within the investment strategy used by the consolidated entity are required to state the purpose of such use and the impact on risk and to provide copies of Risk Management Statements and other relevant documentation approved by the directors of the investment manager regarding use of derivatives of that manager.

Ongoing professional advice is sought in respect of the structure of investment mandates, the performance and continued suitability of externally appointed fund managers, the adequacy of the returns achieved and the continuing suitability of the investment policy. The consolidated entity has appointed a custodian and investment consultant to enhance the security of the consolidated entity's investments, advise on an appropriate investment strategy and to report on the performance of the fund managers.

The Board has implemented a strategy of draw-down from the investment portfolio to finance ongoing activities of the consolidated entity whilst preserving the real value of the portfolio in perpetuity. Currently, the long-term rate of distribution is 3.5%. 70% of the distribution for the financial year is calculated as a composite of the average of previous five years' distributions (adjusted for inflation) and 30% relating to the portfolio value (valued as at 31 March of the previous financial year).

The Board may vary the draw-down for a particular year in exceptional circumstances at its discretion. Such abnormal additional draw-down causes future draw-downs to be adjusted to reflect the changed capital base.

The portfolio of assets at the reporting date is cash and cash equivalents, investments in cash managed trusts and financial assets at fair value through profit or loss, as detailed in the statement of financial position.

Market risk

Foreign currency risk

The consolidated entity does not have any assets or liabilities denominated in foreign currency.

The investment portfolio held by the consolidated entity and disclosed at fair value through profit or loss does contain securities that have underlying exchange rate exposures, however as any exchange rate fluctuations impact the price of the securities, this risk category is considered to be price risk.

Note 20. Financial instruments (continued)

Price risk

The consolidated entity is exposed to equity securities price risk arising from investments held and classified on the statement of financial position at fair value through profit or loss. The consolidated entity is not exposed to commodity price risk. In accordance with the Investment Policy, 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 Board.

Consolidated - 2019	% change	Average price increase		Average price decrease		
		Effect on profit before tax \$'000	Effect on equity \$'000	% change	Effect on profit before tax \$'000	Effect on equity \$'000
Shares and other investments	10%	<u>19,081</u>	<u>19,081</u>	10%	<u>(19,081)</u>	<u>(19,081)</u>

Consolidated - 2018	% change	Average price increase		Average price decrease		
		Effect on profit before tax \$'000	Effect on equity \$'000	% change	Effect on profit before tax \$'000	Effect on equity \$'000
Shares and other investments	10%	<u>19,556</u>	<u>19,556</u>	10%	<u>(19,556)</u>	<u>(19,556)</u>

Interest rate risk

The consolidated entity's interest bearing assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. In accordance with the Investment Policy, a sufficient percentage of the investment portfolio is held in interest bearing securities to enable the consolidated entity to meet its cash flow requirements. These interest bearing securities have underlying fair value interest rate risk exposures; however as any interest fluctuation impacts the price of the securities, this risk category is considered to be price risk. The Investment Committee constantly monitor the diversity of the portfolio mix.

Consolidated - 2019	Basis points change	Basis points increase		Basis points decrease		
		Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000
Cash	100	105	105	100	(105)	(105)
Investments in cash managed trusts	100	853	853	100	(853)	(853)
Illawarra First Fund	100	<u>12</u>	<u>12</u>	100	<u>(12)</u>	<u>(12)</u>
		<u>970</u>	<u>970</u>		<u>(970)</u>	<u>(970)</u>

Note 20. Financial instruments (continued)

Consolidated - 2018	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000
Cash	100	110	110	100	(110)	(110)
Investments in cash managed trusts	100	938	938	100	(938)	(938)
Illawarra First Fund	100	11	11	100	(11)	(11)
		<u>1,059</u>	<u>1,059</u>		<u>(1,059)</u>	<u>(1,059)</u>

Credit risk

Credit risk primarily arises from investments in debt securities. None of these assets are impaired nor past due but not impaired. The consolidated entity invests in debt securities which have an investment grade as rated by reputable independent rating agencies. At the time of the initial investment, all debt securities must have a minimum rating of 'A'. The Investment Committee approves the investment in any debt securities before any investment is undertaken and monitors the ongoing performance of the security.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Other credit risks arise from cash and cash equivalents, as well as credit exposures to members, non-members and government organisations, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted for initial investments. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The credit risk of members and non-members are regularly monitored by line management. The provision of member services is withdrawn to members who are un-financial for more than 90 days. For non-member entitlements, goods and services are not generally rendered until full payment is received. For some receivables the consolidated entity may also obtain security in the form of guarantees 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. The maximum exposure for investments is the carrying amount of the financial assets at the reporting date.

Note 20. Financial instruments (continued)

	Consolidated	
	2019	2018
	\$'000	\$'000
Credit quality of financial assets held at the reporting date, net of impairment:		
A rated cash and cash equivalents	10,543	10,998
Trade receivables counterparties without credit rating	27,219	25,384
Current unsecured other receivables without external credit rating	7,386	5,570
Financial assets at fair value through profit or loss	190,809	195,557
Investments in cash managed trusts	85,332	93,795
Illawarra First Fund	1,152	1,122
	<u>322,441</u>	<u>332,426</u>

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets mentioned above.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of available cash equivalents. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Further, the Board has adopted a distribution policy to finance the short-term cash flow requirements of the consolidated entity.

Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets. The consolidated entity does not have any exposure to borrowings or finance leases.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	1,626	-	-	-	1,626
Other payables	17,312	-	-	-	17,312
Total non-derivatives	<u>18,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,938</u>

Note 20. Financial instruments (continued)

Consolidated - 2018	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives					
Non-interest bearing					
Trade payables	471	-	-	-	471
Other payables	14,672	-	-	-	14,672
Total non-derivatives	<u>15,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,143</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 21. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Consolidated - 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investments in cash managed trusts	-	85,332	-	85,332
Illawarra First Fund	-	1,152	-	1,152
Financial assets at fair value through profit or loss	110,721	80,088	-	190,809
Total assets	<u>110,721</u>	<u>166,572</u>	<u>-</u>	<u>277,293</u>

Consolidated - 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investments in cash managed trusts	-	93,795	-	93,795
Illawarra First Fund	-	1,122	-	1,122
Financial assets at fair value through profit or loss	114,268	81,289	-	195,557
Total assets	<u>114,268</u>	<u>176,206</u>	<u>-</u>	<u>290,474</u>

There were no transfers between levels during the financial year.

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

Valuation techniques for fair value measurements categorised within level 2 and 3

The fair value of financial assets and liabilities that are not traded in an active market are recorded at their net realisable value, or redemption value per unit, as reported by the investment managers of such investments.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company:

	Consolidated	
	2019	2018
	\$	\$
<i>Audit services - PricewaterhouseCoopers</i>		
Audit of the financial statements	233,870	320,325
<i>Other services - PricewaterhouseCoopers</i>		
Other accounting services	55,753	331,070
Taxation compliance services	48,776	34,750
	<u>104,529</u>	<u>365,820</u>
	<u>338,399</u>	<u>686,145</u>

It is the consolidated entity's policy to employ PricewaterhouseCoopers ('PwC') on assignments additional to their statutory audit duties where PwC's expertise and experience with the consolidated entity are important. These assignments are principally tax advice and consulting services. PwC is awarded assignments on a competitive basis. It is the consolidated entity's policy to seek competitive tenders for all major consulting work.

Note 23. Contingent liabilities

Potential redundancies upon the non-renewal of the apprenticeship placement contracts

The consolidated entity has a contingent liability of \$1,592,000 (2018: \$1,464,000) as at 30 June 2019, in respect of potential statutory redundancies payable upon the non-renewal of the apprenticeship placement contracts held by NSW Business Chamber Limited with the Commonwealth Government of Australia.

The existing contracts have terms until January 2020, at which time the consolidated entity intends to retender for contracts. The consolidated entity has been successful on a number of occasions with past tenders. It is not practical to estimate the potential effect of this contingency as at 30 June 2019 in the event that the contracts are not renewed or new contracts awarded, as it cannot be determined how many current employees will remain in employment at that time.

Productivity Bootcamp contingent expenses

The consolidated entity holds 50% of the share capital of Productivity Force Holdings Pty Limited. The remaining shares are held by interests associated with Productivity Bootcamp, a construction training organisation. Productivity Force Holdings Pty Limited places graduates of Productivity Bootcamp into work crews for the construction industry.

Contingent on the accumulation of sufficient retained earnings and cash surpluses, payments will be made to interests associated to Productivity Bootcamp to contribute towards the direct establishment and ongoing operating costs of the youth training project run by Productivity Bootcamp.

The establishment payment is \$428,000 as specified in the Productivity Force Holdings Pty Limited shareholders agreement. Ongoing contributions towards operating costs will be determined annually based on financial reports produced by Productivity Bootcamp.

Note 24. Commitments

	Consolidated	
	2019	2018
	\$'000	\$'000
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	7,343	7,502
One to five years	<u>12,891</u>	<u>13,461</u>
	<u>20,234</u>	<u>20,963</u>

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

The consolidated entity leases various motor vehicles, office and computer equipment under non-cancellable operating leases expiring within one to three years. These leases are for varying terms. On renewal, the terms of the leases are negotiable.

Note 25. Related party transactions

Parent entity

NSW Business Chamber Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Associates

Interests in associates are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Note 25. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2019	2018
	\$	\$
Provision to related party of goods and services:		
Provision of office support services to Chambers Apprenticeship Support Australia Pty Ltd	100,500	111,000
Provision of marketing services to Chambers Apprenticeship Support Australia Pty Ltd	82,122	90,000
Provision of labour hire to Productivity Force Pty Ltd	1,287,803	403,948
Provision of office support services to Australian Chamber of Commerce and Industry	270,291	329,187
Provision of legal services to Australian Chamber of Commerce and Industry	37,191	229,111
Provision of event sponsorship to Australian Chamber of Commerce and Industry	24,000	-
Provision by related party of goods and services:		
Provision of filming services from Currawong Productions Pty Ltd	-	24,856
Provision of consultancy services from Breen Global Pty Ltd	67,500	90,000
Provision of labour hire from Productivity Boot Camp Pty Ltd	24,036	-
Provision of membership fees from Australian Chamber of Commerce and Industry	644,800	629,000
Provision of trade documentation services from Australian Chamber of Commerce and Industry	137,748	135,558
Provision of premises from Australian Chamber of Commerce and Industry	49,628	42,465

Receivable from and payable to related parties

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

	Consolidated	
	2019	2018
	\$	\$
Current receivables:		
Trade receivables from Chambers Apprenticeship Support Australia Pty Ltd	83,705	69,617
Trade receivables from Productivity Force Pty Ltd	610,663	118,817
Trade receivables from Australian Chamber of Commerce and Industry	7,318	8,783
Current payables:		
Trade payables to Breen Global Pty Ltd	-	24,750
General accruals to Breen Global Pty Ltd	45,000	22,500

Note 25. Related party transactions (continued)

- Chambers Apprenticeship Support Australia Pty Ltd is an entity formed to administer the apprenticeship placements contracts with the Commonwealth Government of Australia on behalf of its shareholders which includes the NSW Business Chamber Limited and other state based business chambers. Income earned by the shareholders from this contract is co-ordinated by Chambers Apprenticeship Support Australia Pty Ltd. Shareholders contribute to cover its operating expenses, for services provided by the NSW Business Chamber Limited.
- Currawong Productions Pty Ltd is operated by an immediate family member of J Nicholls, a key management personnel of the consolidated entity. Transactions were at commercial rates and approved by the Board.
- Australian Chamber of Commerce and Industry (ACCI) is a director related entity with S M Cartwright, N Watson and T C Wetherall being current directors of ACCI. T H Cairney resigned as a director of ACCI on 16th March 2018, with N Watson appointed as a director of ACCI on 16th March 2018. All transactions were at arm's length and on commercial terms and conditions.
- Paul Breen is a director of Productivity Force Holdings Pty Ltd, Breen Global Pty Ltd, Productivity Boot Camp Pty Ltd and Productivity Force Pty Ltd. Breen Global Pty Ltd holds shares in Productivity Force Holdings Pty. All transactions with these entities were at arm's length and on commercial terms and conditions. Productivity Force Pty Ltd is a significant customer of Productivity Force Holdings Pty Ltd.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions. Outstanding balances are unsecured and are repayable in cash.

Note 26. Key management personnel disclosures

Directors

The following persons were directors of NSW Business Chamber Limited during the financial year:

N Watson	President - non-executive
L N Gorman	Vice President - non-executive
E T Brown	Non-executive director
T H Cairney	Non-executive director
J R Field	Non-executive director
B A Manwaring	Non-executive director
W McLean	Non-executive director
G J McNamara	Non-executive director
I B Penfold	Non-executive director
T C Wetherall	Non-executive director

Note 26. Key management personnel disclosures (continued)

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

S M Cartwright	Chief Executive Officer
D J Cocks	Chief Operating Officer, Human Capital Solutions
Z Diab	Director, People & Property
T J Haddow	Director, Consulting & Solutions
C Lamont	Director, Policy, Advocacy & Influence
C A Mackenzie	Chief Digital Officer
B R Pearce	Director, Finance, Legal & Risk (appointed on 8 October 2018)
R K Spencer	Chief Customer Experience Officer (appointed on 3 September 2018)
N J Ward	CEO and Director, Australian Business Lawyers & Advisors
J Nicholls	Chief Operating Officer, NSW Business Chamber (resigned on 15 October 2018)
S P Spicer	Director, Finance and Strategy (resigned on 31 August 2018)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	3,937,769	3,307,320
Post-employment benefits	296,108	261,712
Long-term benefits	265,896	324,190
Termination benefits	215,530	-
	<u>4,715,303</u>	<u>3,893,222</u>

The specific banding of directors and other members of key management personnel remuneration from the consolidated entity are as follows:

Note 26. Key management personnel disclosures (continued)

	Consolidated	
	2019	2018
\$'000		
under \$100	10	8
\$100 to \$200	2	4
\$200 to \$300	4	2
\$300 to \$400	2	1
\$400 to \$500	1	1
\$500 to \$600	-	2
\$600 to \$700	1	-
\$700 to \$800	1	1
	21	19
	21	19

Note 27. Business combinations

Heartbeat Nursing Agency Pty Ltd

On the 7 June 2019, the consolidated entity acquired 100% of the share capital of Heartbeat Nursing Agency Pty Ltd, a health care provider based in Western Sydney, engaged by organisations as a supplier of care staff and nurses to hospitals, facilities and families. The total consideration was \$7,100,000.

The acquisition further expands the consolidated entity's operations in the health and community care sector. The acquisition gives the consolidated entity exposure to the Western Sydney market via the customers of Heartbeat Nursing Agency Pty Ltd and its nursing and care staff database.

The acquired business contributed revenues of \$443,000 and a profit after tax of \$31,791 to the consolidated entity for the period from acquisition to 30 June 2019. If the acquisition occurred on the 1 July 2018, the full year contributions would have been revenues of \$7,142,000 and profit after tax of \$1,173,756. The values identified in relation to the acquisition are provisional as at 30 June 2019.

NSW Business Chamber Limited
Notes to the financial statements
30 June 2019

Note 27. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	423
Trade receivables	369
Other receivables	355
Leasehold improvements	3
Furniture, fixtures and equipment	30
Trade payables	(90)
Other payables	(372)
Employee benefits	(689)
	<hr/>
Net assets acquired	29
Goodwill	7,071
	<hr/>
Acquisition-date fair value of the total consideration transferred	7,100
	<hr/>
Acquisition costs expensed to profit or loss	332
	<hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	7,100
Less: cash and cash equivalents	(423)
	<hr/>
Net cash used	6,677
	<hr/>

Note 28. Interests in 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:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
Australian Apprenticeship Alliance Pty Limited	Australia	100%	100%
Australian Business Limited Apprenticeship Centre Pty Limited	Australia	100%	100%
Australian Business Foundation Limited (a)	Australia	-	-
Australian Business Lawyers & Advisors Pty Limited	Australia	100%	100%
Australian Business Pty Limited	Australia	100%	100%
Australian Business Training Solutions Group Pty Limited	Australia	100%	100%
Australian Chambernet Pty Limited	Australia	100%	100%
Australian Business Solutions Group Pty Ltd	Australia	100%	100%
First People HR Pty Limited	Australia	100%	100%
Hunter Business Chamber Limited (b)	Australia	100%	100%
Illawarra Business Chamber Limited (a)	Australia	100%	100%
Recruitment Solutions Group Australia Pty Limited	Australia	100%	100%
Sydney Chamber of Commerce (a)	Australia	100%	100%

Note 28. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
Workplaceinfo Pty Limited	Australia	100%	100%
Amaroo Business Centre Pty Limited	Australia	100%	100%
Amaroo (Shanghai) Trading Co. Ltd	China	100%	100%
Workplace Assured Pty Limited (c) (e)	Australia	51%	51%
CBD Sydney Chamber of Commerce Limited (a)	Australia	-	-
Alliance Health Services Group Pty Limited	Australia	100%	100%
Business Australia (a)	Australia	-	-
CQ Nurse Pty Ltd	Australia	100%	100%
Productivity Force Holdings Pty Ltd (d) (e)	Australia	50%	50%
Heartbeat Nursing Agency Pty Ltd	Australia	100%	-

- (a) Australian Business Foundation Limited, CBD Sydney Chamber of Commerce Limited, Illawarra Business Chamber Limited, Sydney Chamber of Commerce and Business Australia are companies limited by guarantee in which the parent entity owns a special membership in each entity which entitles it to control them.
- (b) The parent entity has agreements with Hunter Business Chamber Limited that enabled it control of this Chamber, without holding an equity interest.
- (c) 49% of the share capital in Workplace Assured Pty Limited is held by the Victorian Chamber of Commerce & Industry.
- (d) 50% of the share capital in Productivity Force Holdings Pty Limited. is held by interests associated with Productivity Boot Camp Pty Ltd, a construction training organisation.
- (e) The interest that non-controlling interests have in the group are not material and their summarised financial information hence not provided.

Note 29. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
Australian Chamber Alliance Pty Ltd	Australia	14%	14%
Chambers Apprenticeship Support Australia Pty Ltd	Australia	25%	25%
Campaign for Small Business Pty Ltd	Australia	17%	17%

Summarised financial information for the associates has not been provided as they are not material to the consolidated entity.

Note 30. Reconciliation of surplus/(deficit) after income tax to net cash used in operating activities

	Consolidated	
	2019	2018
	\$'000	\$'000
Surplus/(deficit) after income tax expense for the year	(2,278)	4,242
Adjustments for:		
Depreciation and amortisation	768	1,203
Net fair value gain on investments	(18,450)	(26,525)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,595)	(5,647)
Increase in trade and other payables	2,924	1,431
Increase/(decrease) in provision for income tax	807	(24)
Increase/(decrease) in other provisions	(1,229)	1,947
Net cash used in operating activities	<u>(21,053)</u>	<u>(23,373)</u>

The company has a bank guarantee facility at 30 June 2019 of \$2,834,419 (2018: \$2,584,419) for the provision of rental guarantees on leasehold properties. The facility was drawn at 30 June 2019 to \$2,516,937 (2018: \$2,216,071).

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019	2018
	\$'000	\$'000
Surplus/(deficit) after income tax	<u>(6,019)</u>	<u>6,538</u>
Total comprehensive income	<u>(6,019)</u>	<u>6,538</u>

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	2019	2018
	\$'000	\$'000
Total current assets	338,301	348,492
Total assets	347,509	355,722
Total current liabilities	23,806	25,950
Total liabilities	26,128	28,322
Equity		
Retained surpluses	321,381	327,400
Total equity	321,381	327,400

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018, except for as disclosed in note 23.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries and associates are recognised as other income by the parent entity and their receipt may be an indicator of an impairment of the investment.

Note 32. Events after the reporting period


No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NSW Business Chamber Limited
Directors' declaration
30 June 2019

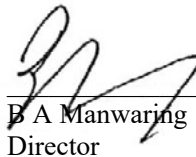
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and other mandatory professional reporting requirements
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the Corporations Act 2001 and section 60.15 of the Australian Charities and Not-for-profits Commission Regulations 2013.



N Watson
Director



B A Manwaring
Director

17 September 2019
Sydney

Independent auditor's report

To the members of NSW Business Chamber Limited

Our opinion

In our opinion:

The accompanying financial report of NSW Business Chamber Limited (the Company) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The Group financial report comprises:

- the Statement of financial position as at 30 June 2019
- the Statement of changes in equity for the year then ended
- the Statement of cash flows for the year then ended
- the Statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the Directors' declaration.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Financial report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' report.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of NSW Business Chamber Limited for the year ended 30 June 2019 included on NSW Business Chamber Limited's web site. The directors of the Company are responsible for the integrity of NSW Business Chamber Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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

PricewaterhouseCoopers

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

James McElvogue
Partner

Sydney
17 September 2019



Networking @ Night Back 2 Business Edition



2018 State Business Awards Gala



2018 State Business Awards Gala



2019 NSWBC IWD Luncheon



Casagrains Wines, Winner of Excellence in Export at the 2019 Mid North Coast Business Awards



VIP Cocktail Event (CEO Club)



Prime Minister Scott Morrison, CEO Stephen Cartwright and President Nola Watson

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