

Invigorating



NSW Business Chamber

Annual Report 2008



Invigorating Business

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Growth in a changing environment

The previous year has been a momentous one for businesses across NSW. The business environment continues to evolve at a rapid pace. Global economic conditions have loomed large and demonstrated that Australia is not immune to external influences despite our underlying economic resilience.

The message from the global economy is that in times such as these the only certainty is change itself.

The global credit crunch, share market turmoil, currency fluctuations, interest rate movements and the election of the Rudd Government are among the recent external influences on NSW businesses. These developments underscore the importance of robust and agile business models in a changing environment.

This is a period of significant economic upheaval. As the rise of China and India continues unabated, there are significant opportunities for well-placed NSW businesses in the Asia Pacific region. But there are nonetheless clouds on the economic horizon. As the full scale of the United States economic downturn continues to emerge, it's evident that businesses will look at new ways to stay competitive during changing times.

With such a dynamic business environment, the mission of the NSW Business Chamber in advocating for our members has never been more important. Nor has our objective to provide our members with the best possible advice and opportunities to improve and grow their business.

NSW Business Chamber advocacy has played an important role in the reduction of Work Cover premiums. Since 2005 there has been a total reduction of 30 per cent, saving business an estimated \$758 million a year.

We have conducted significant research into the NSW business landscape, particularly for SMEs, and are using the results to conduct a major review of our value proposition to provide traditional and contemporary solutions.

Our effectiveness as an influencer of government was no better demonstrated than through the NSW Government's decision to cut payroll tax. Announced in the 2008/09 budget by former Treasurer Michael Costa, the payroll tax cut is a significant public policy victory for our organisation. We have consistently put the case to government that high payroll tax impedes employment growth and interstate competitiveness. Small businesses and employers across NSW will see a tangible benefit as a result of our advocacy on this critical issue.

The organisation has completed the first year of a three year strategy, working on the building blocks of the future; running the business for today and building capability and capacity for the future.

At an organisation level there have also been major developments over the past year. The appointment of Simon Spicer as Chief Operating Officer and Finance Director, has brought together key business partnering functions and key non-member service groups. In addition, extra resources have bolstered the Policy and Public Affairs area to support initiatives for the membership, and additional field staff to support servicing of members.

2007/2008 has seen significant change at the NSW Business Chamber and I would like to place on record my thanks to the Board, Managing Director and Chief Executive Officer Kevin MacDonald, the State Council, Council committees/taskforces and their chairs, Regional Presidents, Regional Advisory Councils, local Chambers and staff who have all contributed to the continuing success of the organisation.



Ian Penfold
President

Our achievements

- ✓ NSW Business Chamber leads the way on 'Fixing the Federation' – lobbying government to reduce regulatory overlap and red tape.
- ✓ Members advised on the major changes to industrial relations under the Rudd Government
- ✓ NSW Business Chamber Northern Rivers operations helps win State and Federal funding assistance after the area is devastated by floods.
- ✓ More than 35,000 businesses received membership entitlements and support from NSW Business Chamber
- ✓ ABLAC serviced over 19,000 businesses across NSW and the ACT, up 18 per cent from last year.
- ✓ Almost 9,000 people participated in NSW Business Chamber events ranging from workplace relations, human resources, international trade and business development.
- ✓ Attendance at our OH&S public events increased by over 50 per cent
- ✓ The Business Hotline handled over 7,000 emails, an increase of 2,000 over last year.

Board Members



Ian Penfold
President



David Malloch
Deputy President



Chris Bayliss



Professor Trevor Cairney



Dr John Fahey



Roger Hood



Kevin MacDonald



David Michaelis



Terry Wetherall

Building on strength

NSW Business Chamber continues to go from strength to strength.

Two years have passed since the historic merger with the Sydney Chamber of Commerce (previously the State Chamber of Commerce NSW) and in that time we've consolidated our position as the voice of business in NSW.

We're committed to championing the needs of business. This means being at the forefront of thought leadership and best business practice.

As our voice and influence in public policy grows, so too does the value we provide to our membership.

We've ensured that when the business environment changes, we're proactive in providing our members with the best quality advice when it counts most.

We're focused on providing our members with opportunities to grow their business. Whether that's through exploring international opportunities, employing new staff, or increasing your networks, we make it our business to support yours.

We understand that running a small business is not just another job – it's a lifestyle. You've taken risks, made sacrifices and had the motivation to take an idea and turn it into a business. You've risked everything to pursue your dream.

That's why we've continued to change our business to better support yours. Initiatives include:

- > Strong advocacy campaigns to get better outcomes for the business community. Our successful campaign to cut payroll tax is a case in point.
- > A new and improved events program, so you can expand your networks, gain knowledge and grow your business.
- > Increased benefits, such as wider access to the Business Vitality review and assessment tool and a corporate governance toolkit of information and documents.

> Developing the Business Innovation Centre to better understand the needs of our members through applying strategic insights and research.

> Access to the best advice on how to develop and better manage your business. Quicker and more relevant information about regulatory and policy developments.

But the work doesn't end there. We need to ensure that our organisation continues to adapt to the rapidly changing business environment, to better meet the needs of our members. Towards this end NSW Business Chamber will maintain its focus and strategic objectives.

Increase policy influence

- > Provide quality thought leadership to inspire public policy debate and push the reform agenda.
- > Consult with membership so we can effectively lobby government on the issues that matter to your business.
- > Continue advocacy campaigns on issues important to our members, such as fixing the Pacific Highway and cutting the regulatory burden.
- > Lead the debate on important national issues, such as 'Fixing the Federation' and emissions trading.

Our achievements

- ✓ NSW Business Chamber's long waged and persistent campaign to slash payroll tax delivers – NSW Government cuts payroll tax by \$1.9 billion.
- ✓ ABLAC successful in placing over 500 people with disabilities into apprenticeships and traineeships.
- ✓ NSW Business Chamber participates in former Premier Morris Iemma's trade visits to China and India to attract business for NSW.
- ✓ Canberra Business Council consolidates position as the voice of business in the region and successfully argues for a payroll tax cut.
- ✓ Sydney Chamber of Commerce's top tier of membership – Sydney First – grows to over 30 members.
- ✓ Australian Business Foundation celebrates its 10th anniversary – 10 years of first-rate thought leadership and innovation.

Our achievements

- ✓ 26 per cent increase in number of businesses engaged with NSW Business Chamber.
- ✓ Hunter Business Chamber membership at 950.
- ✓ ABLAC introduces a range of sustainable business practices, such as making its car fleet carbon neutral.
- ✓ Defence Industry Unit influences the development of the Federal Government's defence industry policy.
- ✓ Illawarra Business Chamber's Apprenticeship Project has now placed over 350 young people into apprenticeships.
- ✓ Implementation of new corporate Performance Management System to achieve better outcomes and reward excellence.

Increase reach and relevance

- > Secure and maintain membership growth building on the 35,000 members and associate members.
- > Further enhance our membership model to remain relevant, and reflect the changing needs of all members and to give members more choice in services.
- > Expand our reach through increased collaboration with government, industry groups, interstate and local chambers of commerce and regional communities.

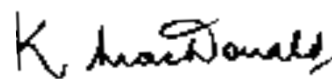
Improve operational performance

- > Continue to apply commercial and financial discipline to ensure our ongoing business sustainability in a rapidly changing environment.
- > Provide transparency on revenue, expenditure and operations.
- > Continue to pursue efficient service models, including online delivery.

Increase people performance and engagement

- > Our recently introduced performance management system, which includes a short term incentive program, is at the heart of our strategy for engaging staff and driving performance.
- > Achieve corporate objectives through organisational values and enhanced staff performance and engagement.
- > Strive to adopt best practice people engagement strategies.

I look forward to working with the President, Board, Councils, Regional Councils, affiliated Chambers and staff to ensure that our organisation continues to grow and prosper, while enhancing our services to members.



Kevin MacDonald
Managing Director
and Chief Executive Officer

Getting results for Sydney



In February 2006 the Sydney Chamber of Commerce (formerly the State Chamber of Commerce NSW) was charged with a simple but significant mission: to be the voice of corporate Sydney. When it comes to the big public policy issues facing Sydney – the Sydney Chamber of Commerce is there – advocating for and on behalf of business. Two years on it's fair to say we're on track and shaping Sydney's future as a leading global city.

Policy and Public Affairs

The charter of the Sydney Chamber of Commerce is to promote Sydney as the number one place to live, learn, work and do business. To ensure Sydney's potential as a leading global city is fully realised, the business community must have an ongoing partnership with government to ensure our voice is heard.

Our major advocacy and policy priorities over the past year have included:

- > Calling for greater investment into our transport system and the development of a Euro-style metrorail network.
- > Pushing for reform of planning laws to streamline processes, kickstart the building industry, and boost housing availability.
- > Advocating for energy privatisation, so that taxpayers won't foot the bill for a new baseload power station and the retrofitting of existing power stations.
- > Continued lobbying for the reform of local government. With 43 local government areas, Sydney's governance needs to be brought into the 21st century to better serve the needs of our growing global city.
- > Calling for greater investment into our tourism and major events industry. We've seen significant progress over the past year, following John O'Neill's industry review and the formation of Brand Sydney.

In addition to our advocacy campaigns, we have published a number of documents outlining our agenda including the *World Youth Day Business Briefing*, *Sydney's Annual Report Card: Vital Signs*, *Cities of Opportunity*, *Sydney Business Security Forum Paper* and a report on reforming Sydney's governance structures.

Sydney First

This year the Chamber's top tier of membership – Sydney First – celebrated its first anniversary at our annual dinner. Guest panellists Bob Carr, Tim Flannery, Jennifer Westacott, James O'Loughlin and Steven Schwartz engaged and entertained the audience of our growing corporate membership.

Sydney First members continue to enjoy access to government and corporate decision makers which is second to none. Sydney First truly represents a significant and diverse section of the business community, united by a commitment to shape Sydney's future as a leading global city.

Sydney First Members

- > ANZ Banking Group
- > Clayton Utz
- > Energy Australia
- > Events NSW
- > Goldman Sachs JBWere
- > Heart Foundation
- > HSBC
- > Integral Energy
- > Jones Lang LaSalle
- > KPMG
- > Macquarie Group
- > Macquarie University
- > Mission Australia
- > NAB Capital
- > Parker and Partners
- > PricewaterhouseCoopers
- > Qantas
- > Rothschild Australia
- > SITA Environmental
- > Snowy Hydro Limited
- > Standards Australia
- > Stockland
- > Sydney Airport
- > Star City
- > Sydney Festival
- > Sydney Opera House
- > Sydney Ports Corporation
- > Sydney Swans
- > Sydney Water
- > Transfield Services
- > Transurban
- > Westfield

Events

Chamber members have unparalleled access to one of this city's best events calendar. Events provide members with the opportunity to network amongst peers, exchange business ideas, develop their business, engage in public policy debate and influence government.

Sydney Chamber of Commerce has a variety of event series including the Sydney and Metro Business Forum, Political Forum, Economic Forum, Executive Business Briefing, Leadership Series, Financial Transformation Series, Legal Counsel Forum, Corporate Affairs Forum, Human Capital Management Forum and the Risk Management Series. All of our events are supported by our valued partners. The Chamber also hosted the Sydney Security Forum and published a paper of the key findings of the event.

Some of our guest speakers this year have included Premier Nathan Rees, former NSW Treasurer Michael Costa, Federal Assistant Treasurer Chris Bowen, Macquarie Group Chairman David Clarke AO, NSW Liberal Leader Barry O'Farrell, NSW Chief Justice James Spigelman AC, Health Minister John Della Bosca, Sydney Lord Mayor Clover Moore and Daily Telegraph Editor David Penberthy.

The Sydney Chamber of Commerce thanks its valued partners

- > AIH Group
- > ANZ
- > Australia Post
- > Sydney Ports
- > Westpac
- > Parker and Partners
- > GM Holden
- > Sydney Airport
- > Qantas
- > Macquarie University
- > Protiviti
- > Hunter Wines
- > Hays
- > Department of State and Regional Development
- > Dibbs Abbott Stillman
- > Unisys



Leading debate and influencing outcomes

Policy and Public Affairs

Over the year the Policy and Public Affairs teams have interacted with state and federal ministers and senior government officials to raise the profile of the issues impacting on the business of doing business. This has been achieved through research, position papers and individual meetings with key decision makers.

Complementing this is NSW Business Chamber's increased engagement with key ministers and bureaucrats in the NSW Government, especially the Premier, Treasurer and the Ministers for Planning, Education and Training, Industrial Relations and Primary Industries. A similar high level of engagement has occurred with the State Opposition. Our positive interactions with the NSW Government contributed to our President accompanying the Premier on a business visit to China.

The Polities for Small Business program was again a successful profile builder for local business and our affiliated Chambers of Commerce. Eighty-three state and federal politicians, including former Premier Morris Iemma and Opposition Leader Barry O'Farrell, worked in small businesses across the state.

The membership has played a significant role – identifying issues, participating in committees and taskforces, and raising issues with local Members of Parliament. A critical public affairs activity has been the support of electricity privatisation and lobbying for improvements to the Pacific Highway.

Some activities see results in a short time, but most take persistent, long-term action – the payroll tax changes have taken four years of work, and the reduction in Workers Compensation premiums have taken seven years to reach fruition.

Our flagship Business Priorities documents identify the key business issues for the NSW and Federal Government and focus on five aspects:

- > Growing a dynamic workforce
- > Strengthening the performance of government
- > Staying competitive
- > Renewing economic infrastructure
- > Preparing for climate change

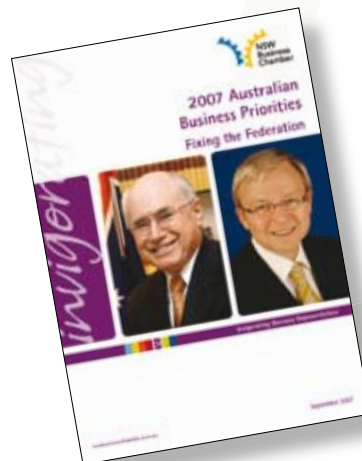
Australian Business Priorities 2007, launched prior to Federal Election in November, called for radical reforms to Federal-State relations as the operation of the Federation had become dysfunctional with blame-shifting and demarcation disputes between the Federal and State Governments harming Australia's capacity to grow and achieve.

Members received analysis of the workings of government through:

- > The Rudd Government overview of business policies released following the election of the Rudd Labor Government
- > Analysis of the business impacts of both the Federal and State Budgets tabled in May and June.

NSW Business Chamber media coverage has increased by 34 per cent this financial year. This result is attributed to the stronger media penetration of the new organisation name and stronger issues focus in Sydney metro and regional NSW. Sydney Chamber of Commerce is achieving high media profile, along with HBC and IBC, who are the only business voices in their regions.

In the coming year the Policy and Public Affairs teams will focus on reducing the negative impact of skill and workforce participation issues; business sustainability and climate change; reducing the impact of red tape; and inadequate infrastructure. Members will also be supported to respond to the changing industrial relations environment.



2007 Australian Business Priorities: Fixing the Federation



Report: The challenge of green tape



Fixing the Federation Symposium 2008: Findings and next actions

Advocacy wins

Action	Outcome
NSW Business Chamber calls for payroll tax to be cut by 0.75 per cent over three years	2008 State Budget contains a 0.5 per cent reduction in payroll tax rate an increase in the tax threshold and the introduction of annual indexation
<p><i>Australian Business Priorities 2007: Fixing the Federation</i> document calls for:</p> <ul style="list-style-type: none"> > Fixed four year terms for Federal Parliament > Constitutional convention to identify ways to improve the performance of government > Appointment of a Federal Minister for Infrastructure to develop a national infrastructure plan 	<ul style="list-style-type: none"> > Kevin Rudd promises referendum on fixed four year terms for Federal Parliament at the 2010 Federal Election > Australia 2020 Summit endorses a constitutional convention > Federal Government appoints a Federal Minister for Infrastructure and creates Infrastructure Australia
NSW Business Chamber lobbies State Minister for Roads with three-point plan to relieve pressure on F3 Freeway during accident blockages	> Roads Minister announces \$28 million plan to create 19 cross-over points to allow traffic to use the other side of the F3 when an accident occurs
NSW Business Chamber Federal Budget submission calls for changes to Fringe Benefits Tax rules to allow all types of childcare to be exempt from FBT to help lift participation rates	> Federal Assistant Treasurer Chris Bowen publicly acknowledges NSW Business Chamber's budget submission would be considered and indicated the government supported more substantial childcare subsidies
<p>Workers Compensation</p> <ul style="list-style-type: none"> > Advocates continued cuts in NSW WorkCover premiums > Calls for WorkCover to focus on OH&S education and support for business > Advocates for WorkCover to adopt a more considered approach to prosecutions 	<ul style="list-style-type: none"> > WorkCover premiums cut by five per cent from January 2008 saving NSW businesses \$110 million a year. Total cuts of 30 per cent since 2005 saving business \$758 million a year > WorkCover OH&S Division restructured with additional resources to educate support and clarify OH&S obligations with business
NSW Business Chamber calls for restriction on union right of entry into workplaces	Federal Labor pledges to keep current restricted right of entry rules in place under new industrial relations system



Barry O'Farrell, Malcolm Turnbull, Brendan Nelson, Morris Iemma and Joe Hockey were among the MPs to participate in Pollies for Small Business.

Action	Outcome
Education and Training <ul style="list-style-type: none"> > Lobbies to expand employers' choice of training provider for trade apprenticeships to less densely populated regions of NSW > Lobbies for weighted funding to support regional Australian Apprenticeship training delivery > Provides regional projections of future skill shortages to the NSW Department of Education and Training based on member consultations 	NSW Government: <ul style="list-style-type: none"> > removes geographical borders to 'user choice' of training provider for trade apprenticeships > ensures training providers receive a fixed weighting on the base price to deliver Australian Apprenticeship training in regional areas > distributes the NSW Business Chamber's projections to regional State Training Centres to inform the type of funded skill set training to be provided
NSW Business Chamber and Illawarra Business Chamber jointly lobby Federal Government to provide support for owner operators to engage with Australian Apprenticeships.	> Three year project funded in Illawarra and Western Sydney for project officers to work with local business to identify and employ young and mature age apprentices
Minister for Climate Change and Water Penny Wong visits Riverina at invitation of NSW Business Chamber	> Climate Change and Water Minister meets Regional President and Manager to discuss issues and promises to return for broader tour
NSW Business Chamber lobbies Federal Minister for Agriculture Fisheries and Forestry and State Minister for Tourism for a support package for flood damaged Northern Rivers businesses	> Prime Minister Kevin Rudd announces support package for farmers and small business owners and \$600,000 tourism campaign for Northern Rivers region
NSW Business Chamber calls for Western Sydney Regional Organisation of Councils (WSROC) to create a 2030 infrastructure plan for Western Sydney	WSROC announces: <ul style="list-style-type: none"> > Building a Sustainable Western Sydney by 2030 > Conference to create an infrastructure plan for Western Sydney
NSW Business Chamber launches Central Coast Infrastructure Plan	> NSW Premier and Minister for Planning engage in dialogue with NSW Business Chamber on the needs of the region



Growing your global business

It has been an exciting year for International Trade with the expansion of the team, delivery of new services, and the continued success of our clients in achieving their international goals.

New services

In October 2007, nine new business advisers joined the team to deliver the Australian Industry Productivity Centre program (AIPC), funded by the Federal Department of Industry, Science and Tourism. Focused on the manufacturing and services sectors, the business advisers have assisted over 100 businesses to become more globally competitive and improve their performance. Advice was provided in areas such as productivity, manufacturing processes and procedures, human resources, marketing, finance and strategy. Under the Rudd Government, the program has been renamed 'Enterprise Connect' and our advisers will continue to work with Australian businesses to enhance their success both at home and abroad. Advisers are located in Sydney and throughout regional NSW.

New opportunities

Our team continue to travel the globe with members and clients to assist them in achieving export goals. Working alongside our clients, we actively assisted in tradeshow, helped in negotiating sales and identified and introduced potential buyers and partners. This included participation in Food and Hotel Asia in Singapore, Expomin in Chile, and the AA Education Fair in Turkey. Other work with our clients included trips to China, USA, New Zealand, Fiji, Thailand and India.

In November 2007, International Trade worked with the NSW Department of State and Regional Development to take the inaugural NSW business women's mission to the UAE. With 18 participants, the mission was highly successful and introduced NSW women to new opportunities, women's groups and new cultural experiences.

International Trade also participated in the Premier's mission to India. NSW Business Chamber President, Ian Penfold, joined former Premier Morris Iemma in May 2008 to visit China with a group of 40 NSW businesses.

New world

Australian companies are presented with new opportunities and challenges on a daily basis. The increased connectivity with the world means that new thinking and new business models have to be employed in order to succeed. Successful companies today operate differently and think without the constraint of borders to ensure that their practices, products and people are globally focused.

As the Australian dollar fluctuates and competitive pressures continue to mount, International Trade will work with its clients to ensure that they have the best advice, guidance and opportunity to succeed in Australia and overseas.

New connections

Strengthening connections with overseas markets even further, International Trade hosted 15 young professionals from 13 Arab League countries who were participating on the Council for Australian-Arab Relations' (CAAR) Young Professional Exchange Program. Funding for the program was through CAAR, an independent body within the Department of Foreign Affairs and Trade. CAAR's mission is to promote mutual interests and a greater understanding of cultures, values, beliefs and diversity.

With representatives from Comoros, Yemen, Morocco and Jordan, just to name a few, this group of dynamic and engaging individuals visited Australia for four weeks. They learnt about how to do business here and worked with host companies on individual projects.

International Trade would like to thank all host companies for their participation in the program. International Trade would also like to thank Etihad Airways for their support of the program.

Delegation members and Christine Gibbs Stewart, General Manager of International Trade (second from left) and The Hon John Murphy MP, Parliamentary Secretary (right).



International Trade

During February and March 2008, Australian Business International Trade Services organised 15 Arab business leaders from 13 Arab countries to be hosted by Australian businesses as part of the Council for Australian Arab Relations (CAAR) Young Professionals Exchange Program.

The program, operated by the Department of Foreign Affairs with the assistance of major sponsors Etihad Airways, has further strengthened ties between Australia and the Arab world.

As well as being hosted by Australian businesses, CAAR participants were involved in workshops and seminars to improve their understanding of doing business in Australia, Australian business culture, foreign policy and the trade and investment relationship between Australia and the Arab nations.

In launching the program in February, the Hon. John Murphy MP, Parliamentary Secretary to the Minister for Trade, said that the Young Professionals Exchange Program was a commitment that the Council made back in 2004 to give young Arab and Australian business people and university students the opportunity to learn more about each other's society and business environment.

"The message is that the Arab world has a great diversity of business and commerce, culture, religion and politics extending well beyond often superficial media portrayals," Mr Murphy said.

The Government is also negotiating a comprehensive and high-quality Free Trade Agreement (FTA) with the Gulf Cooperation Council (GCC), a process commenced in mid-2007.

Trade is the key link between Australia and the Arab world. In the last financial year, two-way merchandise trade with the region increased by more than 10 percent, to exceed \$10 billion. Traditionally, trade has been in the primary industries – agriculture, livestock, meat and dairy from Australia. In return the Arab region provides Australia with oil products, potash and fertiliser.

Trade is diversifying into manufactured goods and services with Australia's biggest single merchandise export to the Middle East in the last few years being passenger motor vehicles.

Australian Business International Trade Services General Manager, Ms Chris Gibbs Stewart, said the CAAR program provides the Australian business community with an opportunity to interact with all of the participants.

"Business is about people, and the development of relationships between people makes business flourish and this is what makes the CAAR program so powerful."

"We can learn from our Arab leaders and more importantly build relationships to help create strong commercial links with the Arab World," Ms Gibbs Stewart said.

Value and impact to business

Each year Australian Business International Trade Services works with over 1,000 businesses of all types and sizes in Australia and overseas to achieve their international business goals. Its highly experienced team, with their contacts and knowledge, assist businesses with export, investment and international growth strategies.



Invigorating your business

Australian Business Limited Apprenticeships Centre

Australian Business Limited Apprenticeships Centre (ABLAC) has had another successful year providing apprenticeships and traineeship services to its clients. Through our dedication to staff training and development and our outstanding team, we have grown the business significantly.

ABLAC has serviced over 19,000 unique companies across NSW and the ACT, which is up 18 per cent from last year. As part of NSW Business Chamber, ABLAC has a clear focus on addressing the skills needs of all businesses in NSW and the ACT.

In excess of 25 per cent of the trainees and apprentices registered by ABLAC in 2007/2008 were in the areas identified on the National Skills Shortage List. We are proud to have been involved in servicing key priority groups such as those with a disability. This year in excess of 500 people with a disability have signed on to an apprenticeship or traineeship.



Sustainable business

- ✓ Our commitment to sustainability has continued this year, with a number of new initiatives focused on delivering sustainable outcomes.
- ✓ We changed our cars from six to four cylinder engines in December 2006. This reduced their carbon emissions by 20 per cent, so we make less impact on the environment.
- ✓ We joined forces with Greenfleet, www.greenfleet.com.au, a not-for-profit organisation that promotes the development of fuel-efficient technologies and plants native trees to offset carbon dioxide emissions. We have purchased carbon offsets and our fleet is now carbon neutral.
- ✓ Small things can make a big difference too. Each desk at our head office now has a designated bin for any products that can be recycled, such as cans, cartons, glass and plastic.
- ✓ We also recycle old IT equipment and by reducing the number of dots per page we print, we've reduced our printer cartridge carbon use by 60 per cent.

Making a difference

Australian Business Limited Apprenticeship Centre has been leading the way when it comes to supporting businesses and communities. We're particularly proud of our association with Ben Woods – and the hundreds like him who we've assisted in finding employment.

According to his employer Shoalhaven City Council, Ben's quadriplegia has not restrained his desire to work. His 15 hours of work per week also includes several hours of study as he works his way towards completing a Certificate II in Business Administration, the first of several qualifications he would like to pursue. Shoalhaven City Council employs over 20 individuals with a disability.





Getting the right people for the right jobs

Australian Business Limited Apprenticeships Centre continues to break the mould when it comes to placing the right people into the right jobs.

ABLAC Fields Operations Manager, Andrew Balls, says, "we've placed six female apprentices in the auto industry."

ABLAC is an experienced provider of Australian Apprenticeship services in NSW, providing businesses with relevant advice they need as well as helping take the pain out of paperwork.

"Over 15,000 employers and 80,000 apprentices trust us to help ensure they have the skills to succeed," Mr Balls said.

If you want to enter this industry or currently require an apprentice or trainee, ABLAC can help you get the skills you need to succeed. For more information visit www.ablac.com.au or call 1300 652 236.

Case Study

Originally from Afghanistan, 31 year old Ajmal Azimi had been unemployed for over a year.

Although registered with a job network, he had been unable to find suitable employment to support his family, of which there are four children under five years of age.

Following two weeks of work experience with G&J Starr Plumbing, which he thoroughly enjoyed, Ajmal was referred to the Western Sydney Industry Apprenticeships Project, seeking a career in plumbing.

The Western Sydney Industry Apprenticeships Project is a three year project funded through the Australian Government's National Skills Shortage Strategy and is based in Western Sydney. It provides a central coordination point between the employer, the Job Network, the Australian Business Apprenticeships Centre (ABLAC) and the training provider. The project also supports the apprentice and their employer during the first three months of the apprenticeship.

Our project officer followed up Ajmal's enquiry with G&J Starr Plumbing. The business was keen to employ Ajmal and he was signed up as a first year plumbing apprentice shortly afterwards by Bob Palmer from the ABLAC.

Four weeks after formally commencing his apprenticeship, Ajmal was very happy with his progress, saying "I'm learning a lot. My supervisor Ross treats me with respect and provides me with good training and support. I'm so happy that I've finally found an occupation that I enjoy, that will provide well for my family in the future."

Employer Glenn Starr is also pleased with his decision to employ a mature apprentice.

"Ajmal is adapting well. He is very enthusiastic and really wants to learn. Unlike some young apprentices that I've employed in the past, he's highly motivated and picks things up very quickly.

"Mature aged apprentices can be highly motivated and quick to learn, plus they may attract additional government financial incentives.

"The financial incentives available for employing a mature apprentice also provided an extra reason to sign Ajmal up. Our business can access up to \$4,000 of Australian Apprenticeship employer incentives plus an additional wage subsidy because Ajmal was unemployed for over a year," Mr Starr said.

Apprentices in skill shortage occupations who are 30 or older also receive additional support in the form of a wage top-up of \$150 per week during the first year and \$100 per week in the second year as part of the Support for the Mid-Career Apprentices program.

Australian Business Lawyers

Throughout 2007/2008 Australian Business Lawyers continued to enhance its service offering and was again recognised as amongst the best in its field. Australian Business Lawyers have once again been nominated in the Australian Legal Business (ALB) Law Awards – Employment Specialist Law Firm of the Year category.

HR Advance, the essential online document creation tool for HR Managers and those with HR responsibilities, has been embraced by nearly all of NSW Business Chamber's sister Chambers around Australia during 2007. This successful collaboration between Australian Business Lawyers and the NSW Business Chamber has established itself as the market leader in the last year.

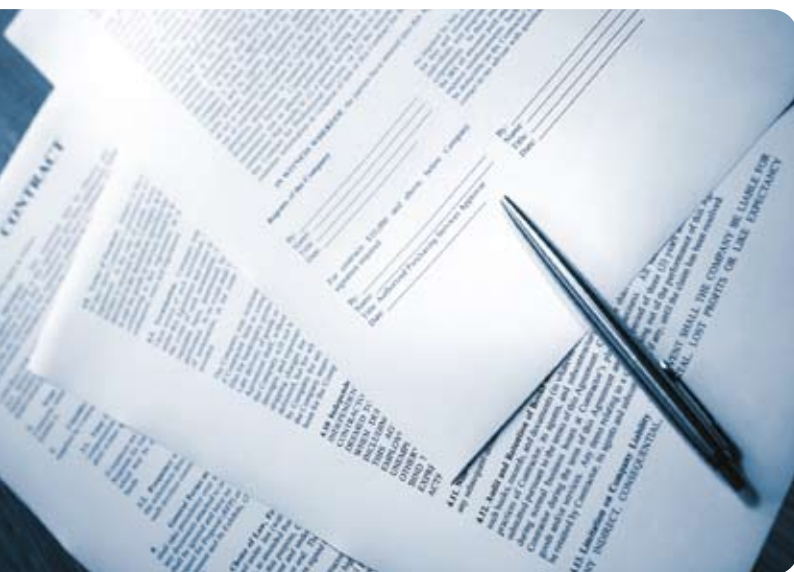
A key area of Australian Business Lawyers' skills lie in understanding and applying the numerous and complex laws that govern industrial relations, enterprise bargaining, employment, discrimination and occupational health and safety.

With the change in federal government, employment laws are again undergoing major change. Australian Business Lawyers' specialist expertise and focus on workplace law continues to position the firm as a critical adviser to business during this period of change. As further change in employment law impacts business, Australian Business Lawyers is working to:

- > Analyse and identify the impact of industrial relations changes for their clients' businesses;
- > Identify opportunities to use the reforms to add value to their clients' businesses; and
- > Assist the NSW Business Chamber in its submissions to the Australian Industrial Relations Commission with regard to the Award simplification and modernisation project. The Award modernisation project is one of the most significant workplace law projects in Australia's history.

At the same time the firm's growing commercial law practice continues to attract a large number of NSW Business Chamber members who are appreciating the practical approach delivered by Australian Business Lawyers to their corporate and commercial law issues. Tal Williams leads the practice and is recognised by members as a proactive and plain speaking provider of business solutions.

For further information about Australian Business Lawyers, please call (02) 9458 7005 or visit www.ablawyers.com.au.



Occupational Health and Safety

Reform of the NSW Occupational Health and Safety (OH&S) system remained a major concern for employers and a high priority for the Chamber. NSW Business Chamber continued to press the government to enact the draft legislation it released in 2006, including making a Freedom of Information request for the release of the Stein Report into NSW OH&S laws.

The change in the federal government re-invigorated consideration of harmonised OH&S laws in all Australian jurisdictions. The Chamber supports this development, in principle. We will be actively participating in the harmonisation debate so NSW employers end up with an OH&S system which is fair and balanced and which positively contributes to the continuing improvement of workplace safety.

NSW Business Chamber continued to deliver public training and in-house training, as well as company specific, OH&S consulting services. Public course attendances increased by almost 50 per cent. The training of OH&S committee members and elected OH&S representatives is a statutory obligation for employers.

Current WorkCover approved training packages are somewhat dated and in need of an overhaul. NSW Business Chamber has been pursuing program changes which will make them more relevant and beneficial to participants and their employers.

Two WorkCover Assist projects were undertaken during the year, in conjunction with Australian Business Industrial, providing guidance and simple tools to business. The first project involved developing an educational CD to assist small to medium sized businesses with addressing Manual Handling in the workplace. The second project was designed to help businesses understand and navigate the workers compensation system through a series of workshops and the development of a CD for quick access to information.

NSW Business Chamber's specialist OH&S team provided continuing back-up to our online OH&S products and services, as well as telephone support to members on a range of OH&S issues.



OHS Advance

Case Study

HI Fraser Pty Ltd is a company that specialises in vacuum sewage collection and treatment for marine, rail and municipal systems. As a member of the NSW Business Chamber, HI Fraser's Managing Director, John Dransfield, contacted the Occupational Health and Safety (OH&S) Unit for advice on how to address their legislative obligations with regards to training their staff in manual handling and hazardous substances.

As the tasks performed by the employees were highly specialised, it became apparent that a specific training program would need to be developed. This would ensure that the training was applicable to their industry, followed the organisation's policies and procedures, and was relevant to employees using examples of the hazardous chemicals used everyday.

The OH&S unit developed a specific training package using the organisation's newly developed Hazardous Substances procedure that also included reviewing a risk assessment for one of the hazardous substances, trichloroethylene solvent, and a competency questionnaire to ensure participant understanding. The training was held at HI Fraser's NSW workplace in Warriewood and delivered to all 18 employees.

When we contacted John regarding the training package and the delivery of the training, as part of our client satisfaction process, he complimented NSW Business Chamber on our services stating, "We had developed a high quality training package covering Manual Handling and Hazardous Substances. It was tailored to meet my company's specific needs and its professional delivery was appreciated by all my staff."

Value to business

NSW Business Chamber's OH&S Business unit has been actively working to help businesses break down compliance barriers through OH&S management and reform for many years.

It provides businesses with support in the areas of OH&S policy, representation and advocacy, information, advice and a range of tools and resources to invigorate business safety.

HI Fraser Pty Ltd machinist, Colin Winrow.



Workplace Relations

Workplace relations was again a major area of endeavour. The first half of the year was devoted to trying to improve problem areas in the federal legislation and protect employers from the anti-Canberra stance of the NSW government. In the highly politicised pre-election environment it was difficult to encourage responsiveness from either federal or state governments.

NSW Business Chamber was part of the coalition of employer groups which sought to draw attention to the important changes in the federal legislation and try to counter the one-sided view being put forward by unions. The election is a matter of history but it seems noteworthy that much of the previous government's legislation remains in place, and will do so during the transition to 1 January 2010, and there is now little evidence of the injustices which were attributed to the system. The second half of the year has been dominated by the new federal

government's move towards its new system, while advocating the needs of a successful business sector as part of this process. NSW Business Chamber has worked to shape ACCI's approach and also to liaise directly with the federal government. To date, the government has shown a capacity to listen and we have achieved a number of modifications to the transitional legislation and the award modernisation request.

In areas such as the state and federal minimum wage processes, award matters and areas of legislative detail, the NSW Business Chamber's industrial affiliate,

Australian Business Industrial (ABI) represented members. NSW Business Chamber and ABI submitted a joint submission to the Productivity Commission's paid parental leave inquiry. The submission pointed out the contribution employers already made to parenting employees, the importance of affordable, accessible, quality child care for parents' workforce participation and opposed the imposition of any paid parental leave obligations on employers.



Workplace Advice Unit

The Workplace Advice Unit has been at the forefront of our service delivery on workplace relations. While the number of calls to the unit was slightly down on the previous year, the calls were longer as employers continued to seek to understand the changing workplace relations environment. The unit has also provided key support for our online workplace relations products.

The workplace relations system will be subject to further changes over the next eighteen months, given the federal award system modernisation process and the yet to be enacted workplace relations legislation.

The vast majority of employers covered by the federal system, and their employees, will be covered by a new award system from 2010. The Workplace Advice Unit will be an important resource for members to help them understand and apply both the new award system and legislation.

Business hotline

The NSW Business Chamber Navigation Centre changed its name to Business Hotline in March this year. With the launch of this name and its promotion amongst members and customers, it is anticipated more businesses will contact the Business Hotline for assistance. Over 7,000 email expressions of interest in the organisation, its membership and/or products have been received this year by the Business Hotline, an increase of 2,000 over last year.

Supporting our members

Australian Made, Australian Grown Campaign

This 2007 financial year began with the launch of 'Australian Grown', meaning the traditional Australian Made logo can now be used to identify and promote genuinely Australian Grown fresh and processed foods.

That change brought about the Campaign's name change, and we are now officially known as Australian Made, Australian Grown Campaign. We also made some subtle design changes to the logo, making it more contemporary.

The Australian Grown segment of our campaign has benefited from financial support from the Federal Government, allowing the promotion of the logo via television, outdoor, cinema and radio advertising. The result has been increased consumer awareness of the campaign, and even better value for licensees who are using the logo.

Retail involvement for Australian Made, Australian Grown continues strongly, with support coming from Woolworths, Coles, ALDI, Harvey Norman, Bev Marks, Forty Winks, and the Purely Australian group.

Many other smaller retailers expressed an interest in identifying their businesses with the logo, so we have now created a new category, Retail Supporters. To be a Retail Supporter at least 70 per cent of the retailer's stock must be Australian made or Australian grown.

Initiatives like these are helping to position the campaign strongly for the future. Even with growing pressures on Australian manufacturers and growers more and more businesses are using the logo. Consumer interest in buying Australian Made and Australian Grown products is at an all time high.

New product development

In the coming year NSW Business Chamber will continue to listen to the needs of business. Our commercial team will identify opportunities to provide new and innovative products and services that meet the requirements of businesses of all sizes and at every stage of their lifecycle. Areas of focus currently include end-to-end human resource solutions and business sustainability.

Alliances, Associations and Affiliated Chambers

NSW Business Chamber is committed to growing the reach of the organisation through enhancing relationships with businesses, associations and local Chambers. There have been a number of significant developments in the growth of the NSW Business Chamber networks over the past year.

Last year Corporate Express joined NSW Business Chamber's alliance partner program and member benefit offering. Another new alliance partner is the Nursery and Garden Industry Association, which brought with it 330 associate members.

Through the affiliation with NSW Business Chamber, chambers in the Central West region combined to form the Central West Business Chamber. This is an umbrella Chamber focused on representing the interests of the region. Chambers associated with this regional chamber include Orange, Cowra, Grenfell and Forbes. Local businesses engaged with the Central West Business Chamber now exceed 800.

As new and beneficial partnerships continue to develop, our members are provided with more opportunities for collaboration.

Marketing consulting service

A new marketing consultancy was created this financial year, to meet small and medium business owners' need for practical and affordable marketing services. Since its launch in late November 2007, the consultancy has delivered high-end marketing solutions for businesses across a range of industries and regional locations.

While currently in pilot phase, the immediate success of the consultancy has proved its viability. Further development of the consultancy is planned for next financial year to deliver even greater benefits to members and NSW businesses.



Australian Chamber Alliance

Australian Chamber Alliance (ACA), a joint activity of the major state and territory Chambers of Commerce and Industry, is intended to provide a vehicle for securing national programs to be delivered by each chamber.

2007/2008 was ACA's first full year of operation. During the year ACA delivered a significant number of programs on the federal workplace relations system, funded by the former Department of Employment and Workplace Relations.

ACA also secured the largest proportion of Business Advisors funded under the Australian Industry Productivity Centre Program. This program has now been integrated into the Enterprise Connect Program, with a focus on manufacturing, and will continue operations during the 2008/09 year.

After a year of bedding down the operation, ACA will be looking to expand its support for the chambers in 2008/09 and beyond.

NSW Business Chamber provides the Secretariat and other support services to ACA.

Products and Services

This year was one of consolidation and progress for the Products and Services Unit.

- > Revenue increased by 16 per cent with a range of sales channels now firmly in place. These included one-to-one sales via our extensive regional sales manager network and a dedicated telesales team, professional licences to large accounting and legal firms and via third party resellers under a distribution channel model;
- > The distribution sales channel was significantly boosted with 21 resellers now on board, expanding our ability to provide quality business solutions to companies across a variety of industries;
- > A range of highly targeted marketing campaigns with dedicated telesales follow-up ensured maximum sales success; and
- > Major work commenced to migrate the Chamber's online products across to a single technology platform.

Both HR Advance and WorkplaceInfo proved most popular with businesses across the State, providing up-to-date news, information and legally compliant documentation for companies in a changing industrial relations environment.

Business connections

NSW Business Chamber has connected over 9,000 people through our events program delivered across NSW in 2007/2008. Some of the highlights of this program include:

- > Timely briefings to inform our members and the broader business community about the new IR landscape, immediately after the Federal Election in November 2007. These briefings were well attended and well received.
- > Around 450 members attended our Annual Awards Dinner at the Sydney Convention and Exhibition Centre in Darling Harbour. The night included a keynote presentation from General Peter Cosgrove AC MC and entertainment from John Paul Young and the All-Star Band.
- > A series of member-only roadshows delivered by our experts across the state covering IR under a Rudd Government.
- > Major sponsorship of the NSW Department of State and Regional Development's Small Business September, a series of events held across NSW to support small business.

NSW Business Chamber is committed to providing members and businesses access to the best possible events calendar, featuring the most relevant and up-to-date information to grow your business.



Advocating for our industry

Our role is to provide members with the information, advice, training and networks to help win business with the Department of Defence as well as Federal, State and Territory Governments.

The defence market offers a range of business opportunities from major sea, land and air platforms to information technology, infrastructure and support services. Overall, there are new and existing business opportunities for a wide range of products and services including working with major Australian and overseas prime contractors with potential for entry into the export market.

As a leading defence industry association, we have provided our members with a range of services aimed at improving the defence industry and winning new business.

Defence industry policy

During 2008 the Rudd Government will be releasing a new Defence White Paper, a new Defence Capability Plan and a number of procurement and project reviews that have the potential to impact on Australian industry. Throughout these processes we will work with government to ensure the best outcomes for our members.

The Defence and Industry Policy Statement 2007 broadly captured many of the major recommendations in the Australian Business Defence Industry Unit submission. Implementation of the new policy continues and the unit is pursuing a number of outstanding issues with Defence and the office of the newly appointed Parliamentary Secretary for Defence Procurement.

Regular market intelligence

Our regular Defence Update E-News and weekly Tender Supplement is an essential source of business intelligence for the industry. The weekly Tender Supplement provides a snapshot of business opportunities in defence, all levels of government, selected international tenders and valuable private sector opportunities. It is a constant source of requests for additional information from members.

Briefings, networking and training

Over the past twelve months, we've conducted a number of briefings by senior defence, government and industry decision makers including the Parliamentary Secretary for Defence Procurement, Defence's Chief Scientist, Head of the Capability Development Executive, Head Defence Support Group and Australia's Ambassador for Counter Terrorism to the United Nations.

The unit is a member of an industry team selected to provide a new publicly accessible e-portal featuring company listings and capabilities. This initiative helps the industry understand the capabilities that exist within Australia, as well as providing companies with the ability to recognise potential teaming partners, especially small to medium sized businesses.

To assist members in winning defence contracts eight Tender Training Courses have been conducted with the aim of providing members with the processes for submitting better tender responses to all levels of government.



Specialist advice

The unit is a valuable source of advice in navigating the defence and government markets. Specialist staff have been able to provide members with accurate and up-to-date information on a wide range of defence opportunities. The unit makes itself available to members for dedicated business consultations to assist in pursuing new and existing opportunities in defence.

The coming year

The provision of up to date information, advice and an industry voice will be our focus for 2008/09, particularly given the expected release of the new Defence White Paper, a new ten year Defence Capability Plan, and other various projects and reviews.

We will also conduct another member survey seeking input on the current range of services provided and seeking new ideas for the future. The last survey saw the introduction of the weekly Tender Supplement and Tender Training Courses.



Celebrating 10 years of insight

The Australian Business Foundation was founded as an independent think tank by the NSW Business Chamber to research the emerging issues likely to impact most on Australia's business competitiveness and prosperity.

The Australian Business Foundation has reached its landmark 10th birthday. From its achievements to date and its focus on the future, the Australian Business Foundation is delivering on the aspirations that the NSW Business Chamber had in mind when it established the Foundation as an independent company in 1997. The Foundation is:

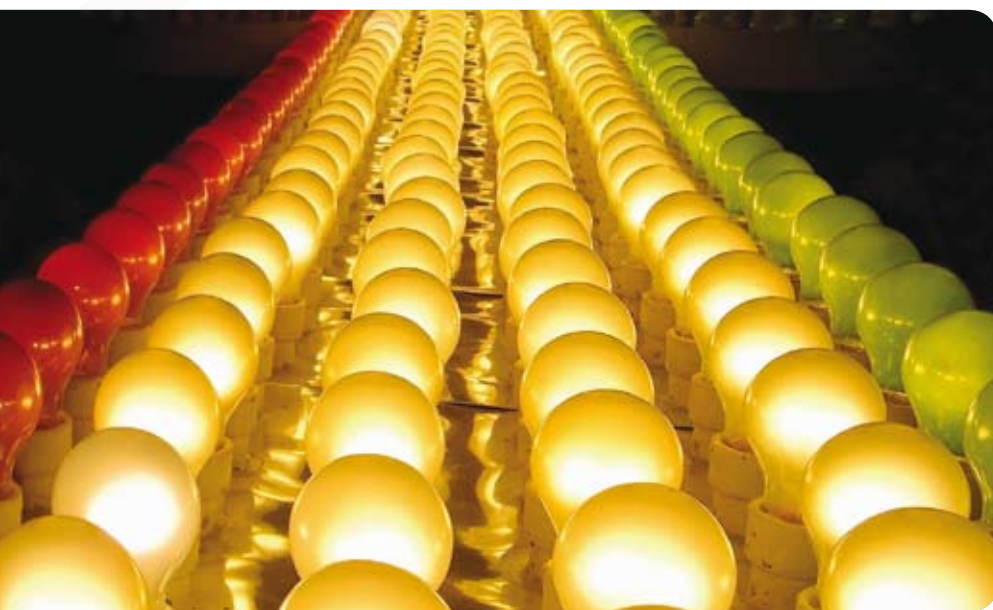
- > Producing leading edge, probing research that is grounded in business realities.
- > Shaping the agenda about future Australian competitiveness, not merely responding to it.
- > Being valued and sought after as a thought leader and a key source of evidence-based research insights and practical business ideas.

Consequently, the Australian Business Foundation provides valuable intelligence to many including its founder, the NSW Business Chamber. Among the highlights from the work of the Australian Business Foundation are:

- > Four significant new research studies – on business models for engaging in Chinese markets; positioning Sydney as a global city in the strategies of multinational corporations; understanding the human dimensions of innovation; and exploring the extent of and opportunities for industrial clustering in the Pacific Corridor region of Sydney's north.
- > Completed and launched two research studies, one on case studies of 'born global' Australian firms by Professor Peter Leisch and colleagues at the University of Queensland Business School and an analysis of the sectors contributing most to Australian productivity growth since the 1980's by Professor Alan Hughes of the Centre for Business Research at the University of Cambridge.

- > A high calibre events program with world-class Australian and international speakers including MIT Professor Richard Lester, innovation commentators Dr James Bradfield Moody, Dr Alastair Robertson and Dr Ian Marsh, international strategy guru Professor Michael Enright and social networks researcher Dr John Steen.
- > Introduction of a Research Fellows program commencing in the 2008/09 year.
- > Participation by the Foundation's Chief Executive at the Federal Government's expert panel reviewing Australia's innovation system and at the Australia 2020 Summit chaired by the Prime Minister.

In short, as it enters its second decade, the Australian Business Foundation is living up to its slogan of being an activist and futurist researcher, thought leader and intelligence source.



Working for business across NSW

Membership

Membership is the life blood of the NSW Business Chamber with engagement of our member base central to our policy and advocacy activities.

To achieve membership growth organisations must strive to connect with the community and engage with them for a common cause. They must be topical, relevant and provide value in terms of rewards and recognition for membership.

NSW Business Chamber derives its vision from its members to make NSW a better place to do business. We have undertaken considerable research to identify the key issues impacting business and the requirements of members.

This research indicated that business seeks three common outcomes: they want to be connected; they seek a voice; and they want access to relevant information, tool and products.

NSW Business Chamber seeks to provide value for membership by facilitating business connections, networking opportunities, access to information and providing a platform for influence. Through our advocacy and policy teams we will target the needs of NSW business, acting as their voice on the regional and national stage.

Murray Region

NSW Business Chamber and the Albury-Northside Chamber of Commerce entered into an alliance in January 2008.

Networking and events

NSW Business Chamber together with the Albury, Wodonga and Northside Chambers of Commerce, Murray Hume Business Enterprise Centre and Victorian Employers Chamber of Commerce and Industry (VECCI) worked together to provide events for our membership.

Members were provided with opportunities to attend workplace advice briefings on various topics, including IR changes under the Rudd Government. Members also had the opportunity to attend events providing practical advice, such as how to save money on your energy bill.

Our monthly Business After Hours networking event continues to be popular with members looking to exchange business ideas and explore opportunities. Due to its popularity, Business After Hours has sponsors up until the end of 2009.

A tribute to Domenic Fondacaro

NSW Business Chamber this year lost a wonderful friend. The sad passing of Domenic Fondacaro was not only a loss for our organisation, but for the community in which he lived and worked for many years.

As our Regional Manager Dom was the face of the Chamber in the Riverina. I might go further and say he was, to us, the face of the Riverina – a bloke who worked hard, loved his family, wanted the best for his area and who always held out for more from his footy team!

Dom was passionate about everything he did. He related to everyone – CEOs, Government Ministers, business owners and employees all felt they had a friend in Dom.

He was our ambassador in the region – and his regular segments on radio were as much about golf, local charities and community events as they were about business. He loved his community and we all knew it.

On behalf of NSW Business Chamber I would like to place on record our appreciation for the contribution Dom made to not only this organisation, but his community and the many businesses he assisted over the years.

Kevin MacDonald
Managing Director and
Chief Executive Officer



Northern Rivers

With a growing economy and population, the Northern Rivers of NSW is a beautiful and diverse region. NSW Business Chamber Northern Rivers continues to work hard for members by providing access to events, networking and business development opportunities, and professional advice. We're also focused on providing a voice for local businesses, particularly when it comes to infrastructure and regional investment.

2008 started with many challenges for our communities, as rain and floodwaters dominated the holiday season. Many businesses were impacted, such as the farmers who lost their crops, the tourism industry who lost customers during a normally busy holiday season, and the fishing industry which came to a halt when the rivers were closed to fishing. What shone through in the face of such adversity was great community spirit and resilience.

NSW Business Chamber Northern Rivers regional office in Ballina took an active role in the recovery process and was invited to join the Disaster Recovery Committee.

We also contacted both the Federal Minister for Agriculture, Forestry and Fisheries, Tony Burke, and the former NSW Minister for Tourism, Matt Brown, seeking their support in making sure our farming, fishing and tourism industries got the assistance they needed. The response from the Ministers was commendable, with packages for business operators, fisherman, farmers and the tourism industry being announced when the Prime Minister visited the region.

Engagement and Events

NSW Business Chamber Northern Rivers regional office is front and centre of a significant regional economy with a diversity of industries. Our engagement with 11 Northern Rivers local Chambers of Commerce has proven to be of mutual benefit, particularly in terms of hosting events. The local chamber conference and roundtable events that have been held in Sydney have also been successful.

The combined regional operations continue to be a one stop shop for business. The Tweed Heads Export Hub, Industry Productivity Centre and the Regional Careers Adviser all contribute to the growth and sustainability of business in the region.

The Living Ethics Summit, which was another first for the region, was held in Ballina. The event focused on the way we act, conduct business, and deal with our customers. An address by NSW Business Chamber Chief Executive Kevin McDonald paved the way for excellent debate and discussion.

Business in the region is increasingly focused on responding to the challenge of climate change, Corporate Social Responsibility, and understanding Generation Y. Business owners and managers have welcomed educational programs, HR focus groups, monthly 15@6 forums, and Business Connect events which have occurred throughout the region. In all 42 events have been staged with mostly over subscribed attendances.



Mid North/New England/Central West

Our region, located in the heart of NSW, has a diverse economy and is known for its beautiful and productive land. NSW Business Chamber's presence in the region provides members with essential support services and opportunities to grow their business.

Regional staff operate out of offices in Port Macquarie and Coffs Harbour, servicing members with personal visits and phone support. The staff spend the majority of their day with members discussing their business issues and, where appropriate, offering advice and practical solutions to their needs.

This year staff in the region have been able to assist members in a variety of ways, including running informative workshops on issues relevant to member needs. We have also been able to put members in touch with other members and expand their use of the variety of services we provide.

We continue to work more closely with a number of local Chambers throughout the region, by providing support for their business awards and guest speakers for their functions.

Regional staff continue to work with the Regional Industry Career Adviser Network coordinators to support local businesses and help them overcome skill shortages.

We have introduced the concept of Business Vitality lunches out of the Port Macquarie Office. These forums provide the opportunity for local members to get together in small groups to focus on issues that impact their businesses. The groups are open to members and non-members and are seen as a way of introducing people to the wider benefits of Chamber membership.

This year for the first time we held a joint Regional Advisory Council meeting with the Northern Rivers Region at Coffs Harbour. The purpose of the joint meetings is to provide a platform to discuss regional issues, as well as providing Regional Councillors opportunities to network.

The Pacific Highway, diesel surcharge and freight charges, and freight movement regulations continue to be major issues for local businesses.

Along with the other NSW Business Chamber regions, we have held a series of focus groups to review the NSW Business Chamber website and services. These events were designed to gain both member and non-member feedback on these important support services. It is important to ensure that the regions are not forgotten in this process.

Peter Bastian, Business Development Manager, has had success in the development of licensing agreements for HR Advance with a number of law firms in the region. These firms are then able to use the products to provide additional services to their clients.

This year we have increased the level of cooperation and our working relationship with our sister organisation Australian Business Limited Apprenticeships Centre (ABLAC). ABLAC operates across the New England and Central West region and is an invaluable resource to businesses. Members are encouraged to explore the opportunities and rewards of employing trainees and apprentices.

This year saw the launch of the Australian Industry Productivity Centres across the Region. The Centres provide practical and tailored business advice and services to help businesses grow. We have been successful in referring a number of businesses in the region to the Productivity Centres for assistance.



Central Coast

The Central Coast, close to Sydney to the south and Newcastle to the north, manages to combine the best of both worlds: proximity to a global city mixed with a relaxed coastal lifestyle.

Staff at the Central Coast office are committed to listening to the needs of our members. Surveys in the region told us that the three important issues to business were infrastructure, the recognition of the region, and education. The Regional Advisory Council decided to pursue these three issues on behalf our members and the business community.

The publication of the economic blueprint *Towards a Sustainable NSW Central Coast Region* produced in partnership with 10,000 Friends of Greater Sydney (FROGS) has been a catalyst for our region. The strategy recognises the importance of the connections to Sydney and Newcastle as both provide employment for families and consumer markets for industry. The

strategy also focuses on growing job opportunities within the region and reducing the demand for long-distance commuting. There is also significant opportunity to develop knowledge centres, based around the University of Newcastle campus at Ourimbah and the Gosford training hospital. The issue of developing a very fast train for the region is also on the agenda.

The plan encourages fostering distinctive and attractive communities along transport corridors. It's envisaged communities should have a variety of transport choices, housing options, services and job opportunities.

In relation to planning, the strategy urges more certainty in development decisions, mixing land uses, preserving open space, agricultural land and areas of environmental significance. Priority should be given to developing walkable neighbourhoods. This initiative has been well received by the business community,

continues to be of interest to all levels of government and receives media coverage weekly.

NSW Business Chamber Central Coast has been at the forefront of pushing for greater recognition of the importance of the region through our advocacy agenda. The Australian Bureau of Statistics has sent two letters to the Regional Advisory Council stating that they are now investigating recognising the Central Coast as a region.

NSW Business Chamber Central Coast is at the forefront of advocating skills policy in the region. Attracting and retaining skilled staff continues to be a major issue for business in the region. As part of our commitment to the skills agenda, we have taken on a trainee who is now an integral part of the team.

The Central Coast office is at the centre of a strong and growing community with a positive future. The business community is at the heart of this future and we look forward to working with local, state and federal governments to ensure a better deal for business in our region.



Sydney North

The Sydney North region includes the area from Sydney Harbour to the lower reaches of the Hawkesbury River and stretches from the coast to north west Sydney. Business activities in the region vary widely from North Sydney's business services heartland to industrial parks that house multinational manufacturers and ICT giants such as Microsoft. There are also the many small and medium sized businesses on the Northern Beaches and dynamic business growth hubs located at North Ryde, St Leonards, Chatswood and Hornsby.

In Sydney North, NSW Business Chamber has strengthened its position as the leading business membership group with a membership base comprising more than 400 members. As with other regions, Sydney North was proactive in informing members about recent changes to Federal IR laws.

A major issue and frustration to Sydney North's members continues to be the lack of infrastructure and the absence of sufficient planning for future infrastructure needs, given the continued growth of the region.

Members of the North Sydney Region continue to receive support for export documentation, Regional Industry Careers Advisers Program, apprentice and traineeship placements and OH&S training. Other seminars included Australian Business Lawyers legal update events and the HR Roundtable event for HR professionals.

In 2007 the Sydney North Regional Council formed the Business Leaders Forum to encourage discussion and actions around regional infrastructure. Members of NSW Business Chamber and local Chambers of Commerce participated in this forum. Significant growth is occurring in industrial precincts, such as those at Warriewood on the Northern Beaches, placing greater demand on existing infrastructure.

Sydney South

NSW Business Chamber Sydney South is a dynamic business region which covers 16 local government areas spanning from the Sydney CBD, eastern suburbs, as far west as Strathfield, and as far south as the Sutherland Shire.

The larger industries in this region include textile, clothing, footwear and leather, manufacturing, property and business services, finance and insurance, retail and transport and logistics.

Membership in Sydney South comprises 670 members who are frequent users of Chamber services including award servicing, export documentation, seminars and events. In this region there are a large amount of clients who are regular attendees at events covering legal issues, workers compensation, OH&S and superannuation issues.

The Sydney South Regional Council comprising members of NSW Business Chamber met six times during the year.

This Council made several representations to the NSW Government on planning and transport infrastructure needs for the region. The cost to business of inefficient freight and commuter transport in and across the region was highlighted in these submissions and media statements.

The Council members are providing judging panel input and sponsorship of the NSW Business Chamber Textile and Fashion Awards with UTS (The Faculty of Design, Architecture and Building, Director of Program Fashion and Textile Design).

This Award was developed five years ago to assist young Australians who want to start their own fashion design business. Today, the award is respected and well recognised in the fashion industry.

South Sydney Regional Council regularly engages with local Members of Parliament including during Pollies for Small Business. South Sydney councillors frequently interact with other members from all Sydney Regions and have formed links with Illawarra Business Chamber on several infrastructure projects, particularly the F6.



Greater Western Sydney

Greater Western Sydney Region represents a significant and diverse economy. It has a labour force of more than 900,000 people and some 242,000 businesses, and is one of the fastest growing and largest economic regions in Australia.

The 14 local government areas in Greater Western Sydney have a current population of 1.85 million, which is forecast to grow to 2.2 million by 2026. One third of the population has migrated to Australia and half of the world's nations are represented amongst its residents.

Western Sydney represents a large proportion of NSW Business Chamber members. Our members who are high users of services including workplace advice, award servicing, OH&S products, export documentation, and attend many seminars and events.

During 2007/2008 more than 40 events were held at locations including Homebush, Parramatta, Castle Hill, Smithfield, Penrith, and Baulkham Hills, Norwest Business Park, Sydney Olympic Park and Wetherill Park.

From the NSW Business Chamber Western Sydney service centre located at North Parramatta, support for members and clients was provided for export documentation, TradeStart for first time exporters, the Enterprise Connect program for business improvement, and the apprentice and traineeship services.

The Western Sydney Regional Council, comprising members of NSW Business Chamber, met seven times during 2007/2008 and supported members by developing the Western Sydney skills initiative. This initiative, titled the Schools Bizlink, is a project which assists and encourages young people to consider trade occupations. This Council also actively lobbied government for more investment into workforce skills and urged greater investment into rail, road and bus infrastructure.

In conjunction with the Penrith Valley Chamber, Sydney Hills Business Chamber and Cumberland Business Chamber, several successful seminars and networking events have been held at Baulkham Hills, Castle Hill, Wetherill Park, and Penrith enabling members to make business contacts in a social setting.

Our achievements

- ✓ Members have met with over 600 students this year and assisted them in identifying career choices and preparation of their resumes. Due to the popularity of the program, an increasing number of schools are seeking involvement.
- ✓ We continue to lobby local, State and Federal Governments on critical issues for the region - such as better transport infrastructure.
- ✓ Providing our members with opportunities to network, exchange ideas and grow their business. We've held over 40 events throughout the Western Sydney region.
- ✓ Western Sydney Regional Council regarded as the peak business body of the region - providing a strong voice for members and advocating their needs to government.



Major growth precinct: 2030 Draft Master Plan for Sydney Olympic Park envisages significant residential and commercial development.

Canberra Business Council – ACT and Capital Region

After some big changes over the past year, Canberra Business Council is now the leading voice for business in the capital region.

This last year has posed some challenges but it has also been marked by a number of significant achievements for the Council. In the first half of the financial year, the merger of Canberra Business Council with NSW Business Chamber regional office in Canberra occupied much of the Council's time and attention. In the second half of the year the benefits of this association began to be realised through the increased representational capacity of the Council and the expanded range of services that it now provides to its members.

The Council has had a high profile and a number of successes over the past year through its involvement in all of the key debates on the medium and long-term economic future of the region. It has made submissions to government on issues as diverse as the skills shortage, the National Capital Authority and planning, the Airport Master Plan, the ACT and Federal Government Budgets, high speed rail and a new convention centre – always with the objective of promoting the economic development of Canberra and the Capital Region.

It was gratifying to see the Council's lobbying for changes to payroll tax pay off when the ACT Government announced a 20 per cent increase in the payroll tax threshold (from \$1.25 million to \$1.5 million) in its 2008-09 Budget. This will directly benefit thousands of businesses in the ACT.

The ACT Government also committed \$250,000 to the National Convention Centre of Australia Trust which will undertake a scoping study for a new national convention centre for the nation's capital in the lead-up to the Centenary of Canberra.

Other announcements in the ACT Budget which reflected the Council's priorities and recommendations to government were:

- > The ACT Skills Future package of \$51 million over four years.
- > Infrastructure investment (\$1 billion 5-year Building the Future investment program).
- > Continued investment in the Live in Canberra initiative.

Canberra Business Council was instrumental, through its tourism taskforce, in the announcement by the ACT Government of 50 new taxi licences. This initiative combined with other measures being undertaken by the taxi industry will begin to improve the taxi service in Canberra.

The Council has also managed two programs on behalf of the ACT Government – the ACT Exporters Network and ScreenACT. Funding for both of these programs has been extended.

Canberra Business Council has a vibrant two-way communication with members. Its regular newsletters, IR Alerts and Updates, Business Diary and the Business Connect magazine continue to provide members with the latest business information. Members also have an

opportunity to contribute to the development of the Council's policies through various forums including advisory committee meetings, meetings with other industry bodies (35 kindred organisations); seven industry-related taskforces; Chairman's lunches and issue-specific roundtable meetings.

In addition the Council continues to provide members with popular networking events including after-work Connect drinks functions, ACT and Federal Budget Breakfasts, the Canberra Times Business Series and Outlook 2020 luncheons and the Annual Gala Dinner.

Canberra Business Council, through its close alliance with NSW Business Chamber, is poised to deliver even more benefits to members over the next year through improved products and services, a new website and even greater input into business-related policy at the Commonwealth, NSW and ACT levels.



Case study

Aspen Medical – leading the world from Canberra

Canberra Business Council member Aspen Medical, founded and based in Canberra in 2003, was recognised by BRW in 2007 as the fastest growing company in Australia with 357 per cent annualised growth over four years.

"Aspen Medical is a solutions-based company able to provide healthcare services to remote areas or regions of high demand, taking the best of global innovation and delivering it in a world-class approach," Aspen Medical Managing Director, Glenn Keys said.

Today Aspen Medical has 400 staff, offices in Canberra, Western Australia, Northern Territory, Brisbane, Sydney, Melbourne, Adelaide, Dili, Honiara and Indonesia and is pursuing major opportunities in the Middle East, Africa, India and Canada.

One example of the international importance of Aspen Medical's work was its involvement in saving the life of East Timor President Jose Ramos Horta.

"When President Horta was shot we operated on him for six hours in Dili and did all the initial life saving surgery – it was our aircraft that flew him to Darwin and our ambulance that took him to Royal Darwin Hospital," Mr Keys said.

Aspen Medical operates nationally and internationally and therefore needs to have the latest human resources and financial information at its fingertips.

"We use the Canberra Business Council as a reliable trusted source, and single point of contact, for this information. We can't afford to be behind the eight ball in relation to reporting requirements or conditions of service that are compulsory or may be attractive to staff. Some of the products we use are online and others via access to an expert over the phone," Mr Keys said.

Aspen Medical use Workplace Info, HR Advance and Workplace OH&S through the Canberra Business Council.

"These three products have helped us stay abreast of things that are happening in different industries and states from an employer and employee focus," Aspen Medical Human Resources Adviser Cate Morris said.

"They have been important in assisting us to keep up with changes in policies and new announcements, especially with the change of Federal Government.

Ms Morris says she has recommended these products to colleagues in other organisations because they are easily accessible, easy to understand and the information is always current and immediate.

Aspen Medical is a great Canberra-based success story that is leading the nation and the world in the provision of medical services to remote areas.

Aspen Medical Managing Director, Glenn Keys and Medical Human Resources Adviser, Cate Morris.



Hunter Business Chamber

With 950 members the Hunter Business Chamber (HBC) represents the interests of business in this growing and dynamic region.

The appointment of Karen Howard as President and Peter Shinnick as CEO brought strong business skills to the leadership of the Hunter team.

The strength of the regional economy, with high levels of business activity generated by the resources boom, saw an increase in interest levels in the Chamber. The region is expected to become home to an additional 160,000 people over the next decade and placing greater demands on infrastructure investment.

HBC has developed excellent connections with all levels of Government. The Hunter is home to former NSW Treasurer and Minister for the Hunter, Michael Costa, and to the Federal Minister for Defence, Joel Fitzgibbon and the Parliamentary Secretary for Defence Procurement, Greg Combet. These Federal appointments are significant to a region which hosts major army and airforce bases and for many businesses that are involved in the defence contracting and supplies.

The need for improved infrastructure continues to be a major issue for Hunter businesses with transport infrastructure high on the list. These include the extension of the F3 to Branxton and a major transport interchange at Glendale to service the Cardiff and Glendale businesses areas.

HBC supports the NSW Government's electricity privatisation program. The region provides much of the State's electricity with power stations in the Valley and at Lake Macquarie and strong presence of all three major electricity generator companies.

Law and order issues remain a high priority among members which are located in the business districts and we continue to articulate this priority to government.

Case Study

Razor Industries

Our manufacturing company constructed a new \$6 million factory in the Hunter in 2007. The building was to be completed early November 2007 and we were excited about consolidating several plants scattered throughout the Lower Hunter into the new super-plant.

We planned to move in before Christmas 2007 but it was not to be, as one of the main utilities was not ready. We were then told that it would be ready by Sunday 11 February.

We anticipated the date by transporting stock and equipment to the new premises the Monday prior.

Then, the week before we were contacted by the builder to say the utility had postponed its hook up for at least another month.

In desperation we spoke to the Chamber for assistance. The following day, the utility had committed to hook up on the 18 February – one week later than originally planned. This saved our company at least \$20,000 in transport and productivity costs. We are now in and operating.

We believe that it was the superb relationship the Chamber enjoys with the large utilities in the Hunter that made this outcome possible for our company, and we are extremely grateful to be members.

Thank you Hunter Business Chamber!

Razor Industries



Illawarra Business Chamber

The Illawarra Business Chamber is NSW Business Chamber's affiliate organisation in the Illawarra, with joint membership between both organisations. IBC's members employ over 42,000 people across the Illawarra region.

2007/2008 saw a changing of the guard with Terry Wetherall being elected to the NSW Business Chamber Board after over seven years as President of the IBC. IBC's December 2007 board meeting saw the election of Les Dion as President and Eddy De Gabriele as Deputy President.

IBC's main focus during the year was on maximising member benefits and driving better engagement with members.

During 2007/2008 over 7,000 people attended events hosted by the IBC. In May 2008 the IBC hosted its second "Illawarra on Show", with the number of exhibitors growing to 72 and more than 1,000 people attending the Expo.

Another highlight of the past 12 months was the Integral Energy Illawarra Business Awards held in November 2007. More than 980 people attended and these awards are now the largest in regional Australia.

IBC's Business After Hours events continued to grow, averaging over 280 attendees each month.

IBC also hosted a number of well attended Executive Lunches, including a Federal Budget Luncheon, and an Election Luncheon at which the now Minister for Small Business, Craig Emerson was the guest speaker.

As the Illawarra's leading organisation, IBC is committed to representing the interests of members to all levels of government.

IBC continued to lobby for the upgrade of the region's infrastructure, including the Princes Highway, completion of the F6 extension and the need to improve transport links between the Illawarra with Western Sydney, particularly given the significant expansion at Port Kembla.

In February 2008 IBC welcomed the release of a report by the NRMA which indicated \$3 billion in benefits could be achieved through the extension of the F6 Freeway from Loftus to St Peters. The report also showed that completing the F6 extension would save motorists up to 40 per cent in fuel costs and reduce travel times from 70 to 55 minutes from the respective city centres.

The IBC also led the way in calling for the sacking of Wollongong City Council to restore public confidence following ICAC's hearings in March 2008. The hearings highlighted the need for major reform to the planning and political donations systems.

As a strategy to address the issues of youth unemployment and challenges around skills shortages, IBC's Apprenticeship Project continued to operate as a model for local collaboration, having now placed over 350 young people into apprenticeships over the past three years. The project's success was recognised by the Federal Government, agreeing to fund it for another three years.

"The Illawarra Business Chamber (IBC) has been a major part of our growth at South Coast Travel Management. It has provided unparalleled access to likeminded people in the very closely knit business community in the Illawarra.

"The team at the IBC has always been willing to assist with any of my questions, no matter how small, on not only the best way to market my travel company, but also any operational or HR issues that have arisen. The IBC is a great business partner in a great business community.

"As the leading business organisation in the region, the IBC is committed to representing the interests of members by providing a powerful voice to all levels of Government and key decision makers on behalf of the Illawarra region and its business community. IBC provides a platform for business development and has been important part of the success of my business, and many other businesses in the region."

Greg McCarthy
South Coast Travel Management



2008 Financials

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This financial report covers both NSW Business Chamber Limited as an individual entity and the consolidated entity consisting of NSW Business Chamber Limited and its controlled entities. The financial report is presented in Australian currency.

NSW Business Chamber Limited is a public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

NSW Business Chamber Limited
140 Arthur Street
North Sydney NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on page 35 in the directors' report which are not part of this financial report.

The financial report was authorised for issue by the directors on 8th September 2008. The company has the power to amend and reissue the financial report.

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

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of NSW Business Chamber Limited and the entities it controlled at the end of or during the year ended 30 June 2008 were:

Directors

The following persons held office as directors of NSW Business Chamber Limited during the whole of the financial year and up to the date of this report:

C J Bayliss	I B Penfold	D Michaelis
R L Hood	T H Cairney	

K L Wilson was a director from the beginning of the financial year until her resignation on 23 November 2007

G D Hutchinson was a director from the beginning of the financial year until his resignation on 23 November 2007

I A Pollard was a director from the beginning of the financial year until his resignation on 23 November 2007

M J Capps was a director from the beginning of the financial year until her resignation on 16 February 2008

D Gilbert was a director from the beginning of the financial year until his resignation on 16 February 2008

T C Wetherall was appointed director on 23 November 2007

D J Malloch was appointed director on 23 November 2007

J T Fahey was appointed director on 23 November 2007

K J MacDonald was appointed director on 20 February 2008

Company Secretary

The following person held the position of company secretary at the end of the financial year; Mr Aivars Berzins – B.Com, CA, ACIS, MAICD. Mr Berzins has been employed by NSW Business Chamber Limited for the past 15 years performing financial and treasury roles.

Principal Activities

NSW Business Chamber Limited is a public company limited by guarantee. The company has no issued capital and the liability of the members is limited to a total of \$10 per member. The Constitution does not permit the return of capital or the distribution of surplus by way of dividend.

The continuing activities of the Group during the course of the year were principally to promote Australian industry via the provision of business services, support and advocacy. Its major funding activity to support the principal activities involves the management of a portfolio of investments.

Review of Operations

The consolidated operating loss from ordinary activities including movement in market value of investments was (\$50,026,000) compared with an operating profit of \$42,147,000 in the previous year. Net movement in market value of investments contributed (\$54,514,000) of the loss (\$23,481,000 profit last year).

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review which have not otherwise been disclosed in this report or the consolidated accounts.

Matters Subsequent to the End of the Financial Year

No matter or circumstance or event of a material and unusual nature has arisen since the end of the financial year and up until the date of this report which is likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in subsequent financial years have not been included in this report because in the opinion of the directors, it would prejudice the interests of the Group.

Environmental Regulation

The Group is not subject to significant environmental regulation.

Directors' Meetings and Committees of Directors

The number of directors' meetings and meetings of committees of directors held in the period each director held office during the financial year and the number of meetings attended by each director were:

	Board Meetings		Investment		Audit & Compliance		HR & Succession		Council	
Directors	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Penfold I B (President)	6	6	6	6	1	1	3	3	5	5
Wilson K L (Former President)	2	2	2	2	-	-	1	1	2	2
Bayliss C J	6	5	*	*	3	3	3	3	5	5
Cairney, T H	6	6	4	4	3	3	*	*	5	4
Capps M J	3	3	*	*	*	*	2	2	*	*
Fahey J T	4	4	4	4	*	*	2	2	5	5
Gilbert D	3	3	*	*	*	*	2	1	*	*
Hood R L	6	5	*	*	*	*	3	2	5	5
Hutchinson G D	2	-	2	-	*	*	*	*	5	4
MacDonald K J	2	2	6	5	*	*	3	3	5	4
Malloch D J	4	3	*	*	2	-	*	*	5	5
Michaelis, D	6	6	6	6	3	2	*	*	2	2
Pollard I A	2	2	2	2	1	1	*	*	*	*
Wetherall T C	4	3	4	4	*	*	*	*	5	5

* Not a member of the relevant committee

The President is an ex officio member of all Committees.

The CEO/Managing Director is an ex officio member of all Committees except the Audit & Compliance Committee.

Profiles of each director of the Company and details of other interests are as follows:-

Ian B Penfold ITESSA, FAICD

Age 54

Director, Australian Chamber of Commerce and Industry
Director, Australian Chamber Alliance Pty Ltd
Deputy President, Sydney Chamber of Commerce
Former Managing Director, Charles Parsons & Co Pty Limited
Former Managing Director, Cork International Pty Limited
Former Chairman & Managing Director, Speedo Australia Pty Limited
Former President, Pentland Australia Pty Limited
Former Chairman & Managing Director, Mitre Sports Limited
Councillor, NSW Business Chamber since 1997

David J Malloch

Age 54

Deputy President, NSW Business Chamber
Director, Sydney Chamber of Commerce
Director, Canberra Business Council Limited
Director, Australian Business Foundation Limited
Director, Aston Pty Ltd
Director, Australian Association of Angel Investors
Director, DPM Pty Ltd
Chairman, Capital Angels Pty Ltd
CEO, VIA Research Pty Ltd
CEO, Malloch Digital Design Pty Ltd
Councillor, NSW Business Chamber since 1995

Special responsibilities

Member, Audit & Compliance Committee

Christopher J Bayliss

Age 57

Director, Sydney Chamber of Commerce
Director, Institute of Trade Skills and Excellence
Chairman, Panbridge Pty Ltd
Managing Director, Brevini Australia Pty Ltd
Former Managing Director, Erico Industries Pty Limited
Former General Manager, Pacific Waste
Councillor, Science Foundation Sydney University
Councillor, NSW Business Chamber since 2001

Special responsibilities

Chairman, Audit & Compliance Committee
Member, HR & Succession Committee

Trevor H Cairney BA, M. Litt, PhD

Age 56

Chairman, Sydney Chamber of Commerce
Director, Australian Business Foundation Limited
Director, Southland College
Former Director, Greater West Development Fund Limited
Former Director Westec Pty Ltd
Former Director, Centre for Advanced Computing and Communication
Former Chairman, CADRE Pty Ltd
Councillor, NSW Business Chamber since 2007

Special responsibilities

Member, Investment Committee
Member, Audit & Compliance Committee

Dr John T Fahey PhD, BA (Hons), QAO, Assoc Dip App, Sc (Ambulance); Cert. IV Assessment and Workplace Training, Cert. IV OH&S

Age 51

Director, Sydney Chamber of Commerce
Chairman, Cynergex Group Pty Ltd
Director, Emergency Care Providers – Australia
Member, Australian Resuscitation Council – NSW
Councillor, NSW Business Chamber since 2001

Special responsibilities

Member, Investment Committee
Member, HR & Succession Committee

Roger L Hood

Age 64

Director, Sydney Chamber of Commerce
President, Australian Business Industrial
Principal, Organisation ChangeWorks
Former Personnel Director, Unifoods Pty Ltd
Former HR Director, Lever Rexona Division, Unilever Australia Limited
Councillor, NSW Business Chamber since 2002

Special responsibilities

Chairman, HR & Succession Committee

Kevin J MacDonald BA, Dip Ed, MBA

Age 50

Chief Executive Officer & Managing Director, NSW Business Chamber Limited
Director, Sydney Chamber of Commerce
Director, Australian Business Pty Limited
Director, Australian Chambernet Pty Limited
Director, Workplace Info Pty Limited
Director, Australian Business Limited Apprenticeships Centre Pty Limited
Director, Australian Business Foundation Limited
Director, Australian Made Pty Ltd
Director, National Business Action Fund

David Michaelis FAICD, FCIS

Age 64

Vice President, NSW Business Chamber 1990 – 2001
Deputy President, NSW Business Chamber 2001 – 2002
President, NSW Business Chamber 2003 – 2005
Director & Vice President, Australian Chamber of Commerce and Industry
Director, Sydney Chamber of Commerce
Director, Australian Business Limited Apprenticeships Centre Pty Limited
Chairman, ASSET Limited
Director, John Young (Kelvinaugh) Pty Limited
Committee Member, Australian Council of Superannuation Investors (ACSI)
Councillor, NSW Business Chamber 1988 – 2007

Special responsibilities

Chairman, Investment Committee
Member, Audit & Compliance Committee

Terence C Wetherall Dip URB Ass Dip, Valuation MPIA, CPP JP

Age 61

Director, Illawarra Business Chamber Limited
Director, T Wetherall Family Trust
Director, Limesun Pty Ltd
Director, TCW Consulting Pty Ltd
Partner, JBA Urban Planning Consultants
President, Illawarra District Rugby Union
Trustee, Port Kembla RSL Club
Councillor, NSW Business Chamber since 2001

Special responsibilities

Member, Investment Committee

Insurance of Officers

During the financial year, NSW Business Chamber Limited (the company) paid a premium under a contract to insure directors, councillors and executive officers of the company and related bodies corporate. Disclosure of the premium payable under and a summary of the nature of liability covered by the insurance contract are prohibited by a confidentiality clause in the contract.

The liabilities insured are the legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or Group are important. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out on page 40.

The board of directors has considered the position and, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- > All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- > None of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

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

	CONSOLIDATED	
	2008	2007
	\$000	\$000
(a) Assurance Services		
Audit Services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	132	150
Total remuneration for audit services	132	150
Other assurance services		
PricewaterhouseCoopers Australian firm		
Audit of regulatory returns	6	2
AASB7	3	0
AIFRS accounting services	0	29
Audit of transition of investment custodian	(6)	20
Other accounting services	11	15
Total remuneration for other assurance services	14	66
Total remuneration for assurance services	146	216
(b) Taxation Services		
PricewaterhouseCoopers Australian firm		
Taxation compliance services including review of income tax returns for entities in the group	15	9
Income tax status review	15	3
Total remuneration for taxation services	30	12

Rounding of Amounts

The company is of the kind referred to in Class Order 98/0100 issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the directors' report and the financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

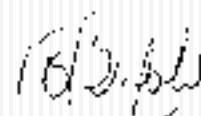
Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 44.

Auditor

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

Signed at Sydney in accordance with a resolution of directors.
8 September 2008



I B Penfold
President



D Michaelis
Director

NSWBC Corporate Governance Statement

This statement outlines the main Corporate Governance practices in place throughout the financial year (unless otherwise stated). These practices are dealt with under the following major headings: Board of Directors and its Committees, Risk Management and Internal Control Framework, Ethical Standards and Environment.

Board of Directors and its Committees

Role of the Board

The Board of Directors acknowledges its primary role is the protection of total members' equity and the creation of long term membership value. To fulfil this role, the Board has overall responsibility for the Corporate Governance of the Company including strategic direction, the establishment of objectives for management and monitoring the achievement of those objectives, the review of Chief Executive Officer and senior management performance, establishing a framework for the management of major business risk and ensuring that policies and procedures are in place to satisfy the Company's legal and ethical responsibilities.

Board Processes

The powers of the Board of Directors are determined by the Company's Constitution and the Corporations Act 2001.

The Directors meet as a Board on a regular basis throughout the year, and in 2007/08 met on six occasions. The Directors also participated in additional Corporate Governance and strategy meetings. The table contained in the Directors' Report at page 36 sets out the number of meetings of the Board and its Committees during the year and the attendance of Directors at those meetings.

An Audit & Compliance Committee, an Investment Committee and a Human Resources & Succession Committee are in place. These Committees operate under the charters approved by the Board. The Board has also established a special purpose Governance & Nomination Committee which meets as required.

The Managing Director, in consultation with the President, prepares the agenda for each Board meeting and papers are circulated in advance of each meeting.

The Board undertakes a review of its own performance and processes on a regular basis. Periodically, Non-Executive Directors provide feedback to the President.

Composition of the Board

In accordance with the Constitution, the Board of Directors shall consist of not less than eight and not more than ten persons.

Currently there are nine Directors on the Board eight of whom, including the President, are Independent Non-Executive Directors. The Managing Director and Chief Executive Officer (CEO) is the other member of the Board.

Details of the Directors are set out on pages 37 to 38 of this Annual Report.

The composition of the Board is reviewed on a regular basis and at least every two years, to ensure that it contains the appropriate mix of experience and expertise. When it is considered that the Board would benefit from the services of a new director with particular skills, the Board determines the selection criteria. Potential candidates are identified. The Board then proposes to the NSW Business Chamber Council the most suitable candidate to join the Board. Under the Company's Constitution, that appointee must stand for election at the next Annual General Meeting of members.

Regard is had to the following matters when considering the composition of the Board:

- > the Board should contain an appropriate blend of skills, attributes and experience having regard to its needs at any given time
- > the President of the Board should be an independent Non-Executive Director who has served on the Company's Council
- > the Board should comprise a majority of independent Non-Executive Directors
- > the Company's Constitution prescribes that all Board members shall retire biennially
- > the Council elects the President, Deputy President and five Board Members
- > Board Members may elect the CEO as a director, who does not have to retire biennially, and up to two other Directors nominated by the President and approved by the Council.

Board Committees

Details, including function and membership of the Board Committees are set out below. Particulars of meetings held and attendances are shown in the Directors' Report at page 36.

Audit & Compliance Committee

The Committee is responsible for monitoring the management of operational, financial and business risks in the Group. It ensures the reliability of management and financial reports and compliance with the relevant legislation and regulations. It is also responsible for reviewing the efficiency and effectiveness of the external audit and internal controls.

All members of the Committee are independent Non-Executive Directors. Management, including the Chief Executive Officer and the Finance Director, and the relevant PricewaterhouseCoopers (PwC) partner, attend by invitation.

The responsibilities of the Committee include:

- > ensuring the quality and accuracy of the financial report and other externally-distributed financial information;
- > reviewing significant accounting issues and judgments;
- > ensuring the maintenance of an appropriate internal control framework and where any deficiencies are identified, ensuring prompt remedial action is taken by management;
- > reviewing accounting policies to ensure compliance with all relevant Australian Accounting Standards, generally accepted accounting principles and Australian equivalents to International Financial Reporting Standards;
- > reviewing the annual external audit work plans;
- > reviewing the performance of the external auditor and recommending appointment as appropriate;
- > considering whether the non-audit services provided by the external audit firm are consistent with maintaining the external auditor's independence;
- > ensuring any matters outstanding with the external auditor or regulatory authorities are appropriately addressed;
- > reviewing its performance as an Audit Committee;
- > reviewing the occupational health and safety procedures of the group; and
- > reviewing the risk management procedures of the Group.

The Board has adopted a policy addressing the issue of audit independence and the undertaking of non-audit consultancy work by the Company's external auditors, PwC, to ensure that at all times the external audit firm is independent of the Company and its management and directors. The policy identifies services which are considered to be in conflict with the role of the external auditor and as such should not be provided by the external audit firm. The external auditor is required to make an annual declaration of independence to the Board and submit a written statement to the Committee outlining the relationships with the Company.

External audit partners are required to rotate after a maximum of five years.

The Audit Committee met 3 times during 2007/08. It is currently comprised of four independent Directors namely C Bayliss (Chairman), T Cairney, D Malloch and D Michaelis.

The external auditor meets separately on a yearly basis with the Committee, without management present, to ensure full and frank discussion of audit issues. The external auditor is requested to attend the annual general meeting and be available to answer member questions about the conduct of the audit and the preparation and content of the audit report.

The Committee Chairman reports to the Board subsequent to each Committee meeting.

Investment Committee:

The Committee was established by the Board and is responsible for complying with the Investment Committee Charter.

The Committee is responsible for the management of the Company's substantial investment portfolio to ensure strategic plan outcomes by maximising the return on investment and adherence to the Investment Policy.

The Investment Committee met 6 times during 2007/08. It is currently comprised of four independent Directors, namely D Michaelis (Chairman), T Cairney, J Fahey and T Wetherall.

Human Resources & Succession Committee

The Committee was established by the Board and is responsible for complying with the Human Resources & Succession Charter.

The Committee is responsible for the development and monitoring of the Company's employment and remuneration policies.

The Human Resources & Succession Committee met 3 during 2007/08. It is currently comprised of three independent Directors, namely R L Hood (Chairman), C Bayliss and J Fahey.

Non-Executive Directors' Remuneration

Non-Executive Directors' fees are reviewed by the Human Resources & Succession Committee and determined by the Board, in accordance with the Company's Constitution, within the maximum aggregate annual amount of \$900,000 which was approved by members at the 2007 Annual General Meeting.

The fees for the President, Committee Chairs, Regional Presidents and the other Non-Executive Directors are determined by having particular regard to fees paid to non-executive directors of peer group companies and other similar organisations.

Conflict of Interest

Directors are required to keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. The Board has adopted procedures covering disclosure of interests by Directors which establish how actual or potential conflicts of interest are to be addressed. In any instance where the Board believes that a conflict exists, the Director concerned would not receive the relevant Board papers and would not participate in that part of the meeting where the item is considered.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and, subject to prior consultation with the President, is entitled to seek independent professional advice in relation to matters pertaining to the performance of their role, at the Company's cost.

Risk Management and Internal Control Framework

Financial Risk Management

The Board acknowledges that it is responsible for the overall internal control and risk management framework of the Company. To assist in discharging this responsibility, the Board has put in place a control framework that can be described as follows:-

- > Financial Reporting – a comprehensive Budget is prepared annually by Management and approved by the Directors. Management reports results monthly against that Budget and revised forecasts are prepared regularly. The Company reports regularly to the NSWBC Council.
- > Investment Appraisal – The Company has clearly defined guidelines covering capital expenditure. These include annual Budgets, detailed appraisal and review procedures, and authority levels and structured due diligence procedures prior to business acquisitions or divestments and post audits of significant capital expenditure items.

Business Risk Management, Compliance and Control

Management of risk is an essential component of the Company's strategy. This involves management of operational, financial and business risk.

The Company's approach to investment risk overseen by the Investment Committee is as set out earlier in this Corporate Governance Statement and the exposure to risk is stated at Note 2 in the 2007/08 Annual Financial Report.

Comprehensive practices are in place in the following non-financial areas to ensure:

- > occupational health, safety and environment, quality standards and management information systems deliver high standards of performance and compliance with regulations;
- > business transactions are properly authorised and executed;
- > appropriate internal compliance and control procedures are operating effectively;
- > appropriate retention and succession planning;
- > trade practices and fair trading regulation compliance; and
- > property loss control measures at business sites are effective.

Ethical Standards

The Directors acknowledge the imperative of maintaining the highest standards of ethical conduct and legal compliance by all Directors and employees of the Group. The Group has in place a Code of Conduct and a number of codes and policies in areas such as discrimination, harassment and disclosure of interests.

Environment and Sustainability

NSW Business Chamber Limited is committed to the protection of the environment, to the health and safety of its employees, customers and the public at large, and to compliance with all applicable environmental laws, rules and regulations in the jurisdictions in which it conducts its business.

The Company has determined that it complies with all relevant environmental legislation.

The Company's Executive is committed to reducing the group's carbon footprint and has established a Sustainability Committee to improve its environment rating which is currently two stars.



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Auditor's Independence Declaration

As lead auditor for the audit of NSW Business Chamber Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) 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 period.

A handwritten signature in black ink, appearing to read 'Manoj Santiago', written over a horizontal line.

Manoj Santiago
Partner
PricewaterhouseCoopers

Sydney
8 September 2008

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	CONSOLIDATED		PARENT ENTITY	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Revenue from continuing operations	4	54,697	69,901	33,778	52,053
Other income	5	(53,649)	24,551	(53,744)	24,507
Advertising and marketing expense		(1,674)	(2,229)	(796)	(1,594)
Building expense		(209)	(317)	(19)	(88)
Business establishment expense		(15)	(15)	(15)	(15)
Consultants		(3,008)	(4,184)	(2,580)	(3,667)
Depreciation and amortisation expense	6	(808)	(1,291)	(785)	(1,216)
Employee benefits expense		(29,242)	(26,786)	(19,259)	(18,791)
Fair value adjustment relating to investment property		(152)	(626)	-	-
Finance costs	6	(641)	(693)	(641)	(693)
Maintenance expense		(638)	(433)	(471)	(301)
Management fees - investments		(3,378)	(3,609)	(3,378)	(3,609)
Motor vehicle expense		(1,638)	(1,393)	(192)	(59)
Parking & tolls expense		(487)	(411)	(293)	(249)
Printing and stationery expense		(338)	(384)	(122)	(155)
Provision for non recovery of debt in controlled entities	6	-	-	1,356	5,096
Provision for non recovery of retentions from sale of building		76	495	76	495
Rent & occupancy costs		(2,514)	(2,438)	(1,381)	(1,238)
Sponsorship		(415)	(1,475)	(775)	(5,326)
Telephone and facsimile expense		(1,166)	(1,117)	(516)	(578)
Travel expense		(1,139)	(1,042)	(771)	(661)
Other expenses from ordinary activities		(4,038)	(4,357)	(1,929)	(2,108)
Profit/(Loss) before income tax expense		(50,376)	42,147	(52,457)	41,803
Income tax benefit/(expense)	7	350	-	-	-
Profit/(Loss) from continuing operations		(50,026)	42,147	(52,457)	41,803
Profit/ (Loss) attributable to members of NSW Business Chamber Limited	23	(50,026)	42,147	(52,457)	41,803

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

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
BALANCE SHEETS FOR THE YEAR ENDED 30 JUNE 2008

		CONSOLIDATED		PARENT ENTITY	
	Notes	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Assets					
Current assets					
Cash and cash equivalents	8	25,768	32,597	23,626	29,697
Trade and other receivables	9	7,272	8,301	3,398	7,242
Deferred tax asset	10	350	-	-	-
Other financial assets at fair value through profit or loss	11	320,256	363,162	320,256	363,162
Total current assets		353,646	404,060	347,280	400,101
Non-current assets					
Receivables	12	12,010	11,329	12,010	11,329
Investments accounted for using the equity method	13	-	-	-	-
Other financial assets	14	2,890	3,670	2,890	3,670
Property, plant and equipment	15	1,947	1,897	1,919	1,844
Investment properties	16	25	146	-	-
Intangible assets	17	243	349	243	349
Total non-current assets		17,115	17,391	17,062	17,192
Total assets		370,761	421,451	364,342	417,293
Liabilities					
Current liabilities					
Trade and other payables	18	13,393	14,065	9,399	9,770
Borrowings	19	-	65	-	65
Provisions	20	693	780	693	780
Total current liabilities		14,086	14,910	10,092	10,615
Non-current liabilities					
Borrowings	21	-	-	-	-
Provisions	22	691	531	401	372
Total non-current liabilities		691	531	401	372
Total liabilities		14,777	15,441	10,493	10,987
Net assets		355,984	406,010	353,849	406,306
Equity					
Retained Profits	23	355,984	406,010	353,849	406,306
Total equity		355,984	406,010	353,849	406,306

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

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2008

	Notes	CONSOLIDATED		PARENT ENTITY	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
Total Equity at the beginning of the financial year		406,010	363,863	406,306	364,503
Profit/(Loss) for year		(50,026)	42,147	(52,457)	41,803
Total equity at the end of the year		<u>355,984</u>	<u>406,010</u>	<u>353,849</u>	<u>406,306</u>

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

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		CONSOLIDATED		PARENT ENTITY	
	Notes	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Cash Flows from operating activities					
Net withdrawal from/ (additions to) managed investments		10,491	23,949	10,491	23,949
Receipts from other income		29,106	26,626	8,572	6,412
Receipts from members		4,485	4,874	3,649	3,650
Property rentals received		1,148	1,145	74	140
Other interest received		2,704	439	2,518	341
		47,934	57,033	25,304	34,491
Payments to suppliers and employees		(54,042)	(50,369)	(34,625)	(34,173)
Net cash inflow/(outflow) from operating activities	30	(6,108)	6,664	(9,321)	318
Cash flows from investing activities					
Payments for motor vehicles, office furniture and equipment		(648)	(628)	(650)	(628)
Proceeds from sale of plant and equipment		(4)	-	(4)	-
Payments for intangibles		(104)	(205)	(104)	(205)
Funding of subsidiaries		-	-	3,973	5,089
Funding of unrelated parties		100	100	100	100
Borrowings		(65)	(65)	(65)	(65)
Net cash inflow/(outflow) from investing activities		(721)	(798)	3,250	4,291
Net increase/(decrease) in cash held		(6,829)	5,866	(6,071)	4,609
Cash at the beginning of the financial year		32,597	26,731	29,697	25,088
Cash at the end of the financial year	8	25,768	32,597	23,626	29,697

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

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for NSW Business Chamber Limited as an individual entity and the Group consisting of NSW Business Chamber Limited and its subsidiaries.

(i) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of NSW Business Chamber Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements are prepared under the historical cost convention, except for investments, which are at fair value through profit or loss. Unless stated otherwise the accounting policies described below are consistent with those applied in the prior year. Comparative information is reclassified where appropriate to enhance comparability.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. These 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 3.

(ii) Principles of Consolidation

(a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by NSW Business Chamber Limited ("parent entity") as at 30 June 2008 and the results of all controlled entities for the year then ended. NSW Business Chamber Limited and its controlled entities together are referred to in this financial report as the Group. The effects of all transactions between entities in the Group are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profit or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

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

(iii) Revenue Recognition

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

1. Membership fees comprise annual subscriptions for the year brought to account on an accruals basis
2. Publication subscription income comprises annual subscriptions and is brought to account on an accruals basis
3. Other publications' income is brought to account when goods are despatched to a customer pursuant to a sales order and the associated risks have passed to the customer
4. Rental income is brought to account on receipt
5. Other business services income including apprenticeship placement fees are brought to account on delivery of service in accordance with engagement letters or other relevant contracts or agreements
6. Sponsorship and grants are brought to account when control is obtained. A liability is recognised for any unearned amounts.

(iv) **Income Tax**

The parent entity as a non-profit organisation is exempt from the payment of income tax and capital gains tax.

In respect of non-exempt controlled entities, tax effect accounting procedures are followed whereby the income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(v) **Property, Plant and Equipment**

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to other reserves in members' equity.

Depreciation is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture, fittings & equipment	3 - 10 years
Leasehold improvements	3 - 10 years
Motor vehicles	5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(vi) **Investments and other financial assets**

Classification

The Group classifies its listed investment portfolio as fair value through profit or loss as it most accurately reflects the way management monitor and control these investments. Management determines the classification of its investments at the time of initial recognition.

(a) Financial assets at fair value through profit or loss
 Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Financial assets carried at

fair value through profit or loss, are initially recognised at fair value and transaction costs are expensed in the income statement.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group have transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the income statement within other income or other expenses in the period in which they arise.

Investments in controlled entities are brought to account in the parent entity at cost less a provision for diminution where appropriate.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(vii) **Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits 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.

The Group's and the parent entity's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

(viii) **Employee benefits**

Wages, salaries and annual leave

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

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the 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.

Retirement benefit obligations

The Group contributes to a number of compliant superannuation plans in Australia. The employees and employer make contributions as percentages of salary and in accordance with the relevant legislation.

Performance related remuneration

A liability for employee benefits in the form of performance related remuneration plan is recognised in other creditors when at least one of the following conditions is met:

- > there are formal terms in the plan for determining the amount of the benefit
- > the amounts to be paid are determined before the time of completion of the financial report, or
- > past practice gives clear evidence of the amount of the obligation.

Liabilities for the performance related remuneration plan is expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

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 Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed format plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(ix) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

(x) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(xi) Goods and Services Tax (GST)

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

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

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

(xii) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been readily estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The increase in the provision due to the passage of time is recognised as interest expense.

(xiii) Business combinations

The purchase method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

(xiv) Investment property

Investment property, principally comprising a leasehold office building, is held for long-term rental yields and is not occupied by the Group. Investment property is carried at fair value, representing open-market value determined annually by external valuers. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. Changes in fair values are recorded in the income statement.

(xv) Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

(b) IT Development & Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include the external direct costs of materials and services. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion and where the Group has an intention and ability to use the asset.

(xvi) Leases

Leases of property, plant and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 26). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight line basis over the lease term (note 16).

(xvii) Government Grants

Grants from the government are recognised at their value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

(xiii) Rounding of amounts

The company is of the kind referred to in Class Order 98/0100 issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(xiv) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 8 and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12].

The revised AASB 123 is applicable to annual reporting periods commencing on or after January 2009. It has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group, as the Group already capitalises borrowing costs relating to qualifying assets.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. It will need to disclose a third balance sheet (statement of financial position), this one being at the beginning of the comparative period. The Group intends to apply the revised standard from 1 July 2009.

2. Financial Risk Management

(i) Financial Risk Management Policies

The Group's activities expose it to a variety of financial risks, market risk (price and interest rate risk), credit risk and liquidity risk. The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases. The Group'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 Group.

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

The Group 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, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

(ii) 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 Group 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 as a member based company 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 CPI, by at least 5% per annum.

Maximisation of this long term return is subject to preserving the real value of the portfolio in perpetuity.

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 Group 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 Group has appointed a custodian and investment consultant to enhance the security of the Group'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 drawdown from the investment portfolio to finance ongoing activities of the Group whilst preserving the real value of the portfolio in perpetuity. Currently, the long term rate of distribution is 5%. 70% of the distribution for the year is calculated as a composite of the average of previous years' distributions (adjusted for inflation) and 30% relating to the portfolio value (valued at March 31 of the previous year).

The Board of Directors may vary the drawdown for the year in exceptional circumstances at its discretion. Such abnormal additional drawdown causes future drawdowns to be adjusted to reflect the changed capital base.

The carrying value of the portfolio at balance date, not including cash and cash equivalents, is \$320,256,000 (2007: \$363,162,000).

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT 30 JUNE 2008

The Group and the parent entity hold the following financial instruments:

	CONSOLIDATED		PARENT ENTITY	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Financial Assets				
Cash at bank and in hand	5,413	5,554	3,271	2,654
Deposits at call	99	92	99	92
Cash equivalents	20,256	26,951	20,256	26,951
Cash and cash equivalents	25,768	32,597	23,626	29,697
Trade receivables	3,156	3,503	2,667	3,018
Other receivables	2,978	4,541	472	4,088
Other receivables – loans receivable	12,010	11,329	12,010	11,329
Trade and other receivables	18,144	19,373	15,149	18,435
Financial assets at fair value through profit or loss	320,256	363,162	320,256	363,162
Other assets not classified as financial instruments	6,593	6,319	5,311	5,999
Total assets as per balance sheet	370,761	421,450	364,342	417,293
Financial Liabilities				
Trade payables	624	1,821	614	1,686
Other payables	4,023	4,719	2,227	3,087
Trade and other payable	4,647	6,540	2,841	4,773
Borrowings	-	66	-	66
Other liabilities not classified as financial instruments	10,130	8,834	7,652	6,147
Total liabilities as per balance sheet	14,777	15,441	10,493	10,987

(iii) Risk Exposure and Management

(a) Market risk

(i) Foreign exchange risk

The Group and parent entity do not have any assets or liabilities denominated in foreign currency.

The investment portfolio held by the parent 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.

(ii) Price risk

The Group and the parent entity are exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet at fair value through profit or loss. Neither the Group nor the parent entity is exposed to commodity price risk. In accordance with the Investment Policy, to manage its price risk arising

from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(iii) Cash flow and fair value interest rate risk

The Group and the parent 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 Group 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.

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The table below summarises the sensitivity of the Group's financial assets and financial liabilities to market risk:

	Carrying Amount \$000	INTEREST RATE RISK				OTHER PRICE RISK			
		-1%		+1%		-10%		+10%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
Consolidated Group									
30 June 2008									
Financial Assets									
Cash	5,512	(55)	(55)	55	55	-	-	-	-
Trade and other receivables	18,144	(10)	(10)	10	10	-	-	-	-
Cash equivalents	20,256	-	-	-	-	(2,023)	(2,023)	2,023	2,023
Financial assets at fair value through profit or loss	320,256	-	-	-	-	(31,997)	(31,997)	31,997	31,997
Financial Liabilities									
Trade and other payable	4,647	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(65)	(65)	65	65	(34,020)	(34,020)	34,020	34,020

Consolidated Group
30 June 2007

Financial Assets									
Cash	3,625	(56)	(56)	56	56	-	-	-	-
Trade and other receivables	19,373	(11)	(11)	11	11	-	-	-	-
Cash equivalents	28,972	(14)	(14)	14	14	(2,761)	(2,761)	2,761	2,761
Financial assets at fair value through profit or loss	363,162	-	-	-	-	(36,123)	(36,123)	36,123	36,123
Financial Liabilities									
Trade and other payable	6,540	-	-	-	-	-	-	-	-
Borrowings	66	-	-	-	-	-	-	-	-
Total increase/(decrease)		(81)	(81)	81	81	(38,884)	(38,884)	38,884	38,884

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	Carrying Amount \$000	INTEREST RATE RISK				OTHER PRICE RISK			
		-1%		+1%		-10%		+10%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
Parent Entity									
30 June 2008									
Financial Assets									
Cash	3,370	(34)	(34)	34	34	-	-	-	-
Trade and other receivables	15,149	(10)	(10)	10	10	-	-	-	-
Cash equivalents	20,256	-	-	-	-	(2,023)	(2,023)	2,023	2,023
Financial assets at fair value through profit or loss	320,256	-	-	-	-	(31,997)	(31,997)	31,997	31,997
Financial Liabilities									
Trade and other payable	2,841	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(44)	(44)	44	44	(34,020)	(34,020)	34,020	34,020

Parent Entity
30 June 2007

Financial Assets									
Cash	725	(27)	(27)	27	27	-	-	-	-
Trade and other receivables	18,435	(11)	(11)	11	11	-	-	-	-
Cash equivalents	28,972	(14)	(14)	14	14	(2,761)	(2,761)	2,761	2,761
Financial assets at fair value through profit or loss	363,162	-	-	-	-	(36,123)	(36,123)	36,123	36,123
Financial Liabilities									
Trade and other payable	4,773	-	-	-	-	-	-	-	-
Borrowings	66	-	-	-	-	-	-	-	-
Total increase/(decrease)		(52)	(52)	52	52	(38,884)	(38,884)	38,884	38,884

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(b) Credit risk

Credit risk is managed on a group basis. Credit risk primarily arises from investments in debt securities. None of these assets are impaired nor past due but not impaired. The Group and parent 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.

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.

The credit risk of members and non-members are regularly monitored by line management. The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount net of any provisions for impairment of those assets, as disclosed in the balance sheet and the notes to the financial accounts. The provision of member services is ceased 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 Group 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 balance sheet date.

Credit quality of financial assets held at balance date

Cash and cash equivalents

A rated

	CONSOLIDATED		PARENT ENTITY	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
	25,768	32,597	23,626	29,697
	25,768	32,597	23,626	29,697

Trade receivables

Counterparties without external credit rating

	3,156	3,503	2,667	3,018
	3,156	3,503	2,667	3,018

Other receivables (note a)

Current unsecured, without external credit rating

Non-current secured, without external credit rating (note b)

	4,116	4,798	731	4,224
	12,010	11,329	12,010	11,329
	16,126	16,127	12,741	15,553

Financial assets at fair value through profit or loss (note c)

Listed Equities

Listed Property Trusts

Listed Unit Trusts

Outstanding Settles

Unlisted Managed Investment Schemes

	31,322	69,776	31,322	69,776
	619	1,138	619	1,138
	1,808	3,409	1,808	3,409
	289	1,927	289	1,927
	286,218	286,912	286,218	286,912
	320,256	363,162	320,256	363,162

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

Notes (a) Other receivables are listed in Notes 9 and 11.

(b) Contains a loan of \$11,010,000 (2007: \$10,299,000) to Australian Business Foundation Limited

(c) All initial investment in financial asset at fair value through profit or loss are 'A' rated securities.

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(c) 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 Group and the parent entity manages liquidity risk by continuously monitoring forecast and actual 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 group.

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

Maturities of financial liabilities

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

Liquidity risk

Group

As at 30 June, 2008

Non-interest bearing

Total

As at 30 June, 2007

Non-interest bearing

Total

Parent

As at 30 June, 2008

Non-interest bearing

Total

As at 30 June, 2007

Non-interest bearing

Total

	Less than 6 months	6 - 12 months	1 - 2 years	Total contractual cash flows	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000
Non-interest bearing	4,423	20	204	4,647	4,647
Total	4,423	20	204	4,647	4,647
Non-interest bearing	6,344	18	244	6,606	6,606
Total	6,344	18	244	6,606	6,606
Non-interest bearing	2,841	-	-	2,841	2,841
Total	2,841	-	-	2,841	2,841
Non-interest bearing	4,807	32	-	4,839	4,839
Total	4,807	32	-	4,839	4,839

The Group's liquidity risk applies to non-derivatives only.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying amounts of the Groups and the parent entity's assets and liabilities at the balance sheet date approximate their fair values. The fair values of:

- > financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

- > financial instruments that are not traded in an active market are determined using valuation techniques. Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such funds.
- > trade receivable and payables and other assets and liabilities are assumed to approximate their fair value due to their short-term nature.

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3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Income Tax

The group has recognised a deferred tax asset relating to the carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same subsidiary against which the unused tax losses can be utilised. However, utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

(ii) Estimated impairment of leasehold investment

The Group tests annually whether the leasehold investment has suffered any impairment, in accordance with the accounting policy stated in note 1 (xiv).

4. Revenue

Revenue from continuing operations

	CONSOLIDATED		PARENT ENTITY	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Fee for service and other income	26,518	24,467	4,476	4,452
Employee assistance	-	-	3,104	3,971
Membership fees (note a)	4,014	4,145	3,196	3,353
	<u>30,532</u>	<u>28,612</u>	<u>10,776</u>	<u>11,776</u>

Other revenue

Dividend income from managed investments	20,368	39,008	20,368	39,008
Interest income from managed investments	1,814	298	1,814	298
Interest income from other corporations	255	141	69	43
Interest income from other related parties	635	801	635	801
Royalties	49	-	49	-
Rents and sub-lease rentals	1,044	1,041	67	127
	<u>24,165</u>	<u>41,289</u>	<u>23,002</u>	<u>40,277</u>

Total revenue	<u>54,697</u>	<u>69,901</u>	<u>33,778</u>	<u>52,053</u>
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Notes

- (a) Members of Illawarra & Hunter Business Chambers and the Canberra Business Council are also members of NSW Business Chamber Limited. 2008 membership fees excludes \$1,338,810 (2007; \$1,031,699) of membership fees received by these organisations.

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		CONSOLIDATED		PARENT ENTITY	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
5. Other Income					
Other Income					
Net gain on disposal of property, plant & equipment		4	-	4	-
Government Grants (note a)		861	1,070	766	1,026
Fair value gain on other financial assets at fair value through profit/(loss) (note 11)					
Movement in market value of investments	-realised gain/(loss)	6,462	19,769	6,462	19,769
	-unrealised gain/(loss)	(60,976)	3,712	(60,976)	3,712
		(53,649)	24,551	(53,744)	24,507

In addition to the above revenue disclosure the consolidated entity's managed funds are traded by the appointed Fund Managers in the financial markets for the purpose of deriving further investment returns. The total proceeds arising were then reinvested into marketable securities.

(a) Government Grants

Grants of \$861,237 (2007: \$1,069,550) were recognised as other income by the Group during the financial year. A number of these grants extend into 2009 and will be acquitted in accordance with the terms of the grants. There are no unfulfilled conditions or contingencies relating to the 2008 year attached to these grants. The Group did not benefit from any other forms of government assistance.

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CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

6. Expenses

Profit before income tax includes the following specific expenses:

Depreciation

- building	-	-	-	-
- plant and equipment	597	724	574	649
Total depreciation	597	725	574	650

Amortisation

- Software development costs	211	567	211	567
Total amortisation	211	567	211	567

Finance costs

- General interest and finance charges paid/payable	7	6	7	6
- Capitalised interest now expensed (refer note 14)	634	687	634	687
Finance costs expensed	641	693	641	693

Rental expense relating to operating leases

- Minimum lease payments	4,206	3,773	1,174	850
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Net loss on disposal of property, plant & equipment

	-	21	-	21
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Included in other expenses

- Subscriptions to other organisations	466	470	458	452
- Computer license fees	390	419	389	408
- Legal fees	301	294	275	248
- Insurance expenses	200	203	169	203

Provision for non-recovery of debt in controlled entities

- Reduction in provision required to support subsidiaries due to improvement in net asset positions.	-	-	1,356	5,096
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CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

7. Income Tax Expenses

(a) Income tax expense

There is no income tax attributable in either financial period for the parent entity. As a non-profit organisation it is exempt from the payment of Income Tax and Capital Gains Tax. All non-exempt controlled entities have accumulated carry forward tax losses and are not liable for the payment of Income Tax or Capital Gains Tax.

Current tax	-	-	-	-
Deferred tax	(350)	-	-	-
	(350)	-	-	-

Income tax expense is attributable to Profit from continuing operations	(350)	-	-	-
	(350)	-	-	-

Deferred income tax revenue included in income tax expense comprises:

Increase in deferred tax assets (note 10)	(350)	-	-	-
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(b) Numerical reconciliation of income tax to prima facie tax payable

Profit from continuing operations before income tax expense	(50,376)	42,147	(52,457)	41,803
Tax at the Australian tax rate on 30% (2007 - 30%)	(15,113)	12,644	(15,737)	12,541
Tax effect of tax exempt income	16,248	(11,637)	15,737	(12,541)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	33	110	-	-
Previously unrecognised tax losses now recouped to reduce deferred tax expenses	(350)	-	-	-
Previously unrecognised tax losses now recouped to reduce current tax expenses	(1,168)	(1,117)	-	-
Income tax expense	(350)	-	-	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	13,972	15,490	-	-
Potential tax benefit @ 30%	4,192	4,647	-	-

All unused tax losses were incurred by Australian entities.

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CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

8. Current assets – cash and cash equivalents

Cash at bank and in hand	5,413	5,554	3,271	2,654
Deposits at call	99	92	99	92
Cash equivalents	20,256	26,951	20,256	26,951
	25,768	32,597	23,626	29,697

Cash equivalents represent monies invested in the short term by fund managers. The Group's and the parent entity's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

(a) Reconciliation to cash at end of year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	25,768	32,597	23,626	29,697
Balances as per Statement of Cash Flows	25,768	32,597	23,626	29,697

(b) Cash at bank and in-hand

The effective interest rate on short-term bank deposits was 6.85% (2007: 6.08%)

(c) Deposits on call

The deposits are bearing floating interest rates between 6.36% and 7.71% (2007: 5.55% to 6.32%)

(d) Cash Equivalents

Cash equivalents represent monies invested in the short term by fund managers

	CONSOLIDATED		PARENT ENTITY	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Trade receivables	3,265	3,652	2,706	3,097
Less Provision for impairment of receivables	(109)	(149)	(39)	(79)
	3,156	3,503	2,667	3,018
Investment income receivable	319	227	319	227
Unsettled investment sales	338	2,357	338	2,357
Loans to Unrelated Entities	100	100	100	100
Prepayments	1,138	257	259	136
Other receivables	2,238	2,158	1,817	1,173
Provision for non-recovery	(17)	(302)	(17)	(302)
	4,116	4,798	2,816	3,692
Amounts due from controlled entities	-	-	3,747	7,720
Provision for non-recovery	-	-	(5,832)	(7,188)
	-	-	(2,085)	532
	7,272	8,301	3,398	7,242

(a) Impaired trade receivables

As at June 2008 the Group and parent has no current trade receivables that are subject to individual impairment. The amount for the provision was \$109,000 (2007: \$149,000). Trade receivables are subject to collective impairment testing based on objective evidence of historical impairment charge. The provision for impairment for the parent entity was \$39,000 (2007: \$79,000)

Movements in the provision for impairment of receivables are as follows:

At 1 July	149	161	79	127
Provision for impairment recognised during the year	-	43	-	-
Receivables written off during the year as uncollectible	(40)	(11)	(40)	(6)
Unused amount reversed	-	(44)	-	(41)
	109	149	39	79

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Other Receivables

These amounts generally arise from transactions outside the normal operating activities of the group.

(c) Effective interest rates and credit risk

Information concerning the effective interest rate and credit risk of both current and non-current receivables is set out in the non-current receivables note (note 12).

(e) Fair value

Due to the short-term nature of trade and other receivables, their carrying amount is assumed to approximate their fair value.

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CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

10. Current assets – deferred tax assets

The balance is attributable to:

Timing Difference

Tax losses to be recovered within 12 months

25	-	-	-
325	-	-	-
350	-	-	-

11. Current assets – other financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are all held for trading and include the following:

Shares and Units in Public Entities

Shares and Units in Unrelated Entities (incl. Equity & pool trusts)

Other Investments (incl. Corporate Bonds and Investment Trust)

210,629	254,114	210,629	254,114
34,398	31,597	34,398	31,597
75,229	77,451	75,229	77,451
320,256	363,162	320,256	363,162

The Group has not designated any financial assets as at fair value through profit or loss.

Changes in the fair values of financial assets at fair value through profit or loss are recorded in other income or other expenses in the income statement (notes 5 and 6 respectively)

(a) Risk exposure

Information about the Group's and parent entity's exposure to credit risk, foreign exchange and price risk is provided in note 2.

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12. Non-current assets – receivables

Loans to unrelated entities
 Loans to other related parties

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000
1,000	1,100	1,000	1,100
11,010	10,229	11,010	10,229
12,010	11,329	12,010	11,329

(a) Fair Values

The fair values and carrying values of non-current receivables of the group are as follows:

	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$000	\$000	\$000	\$000
Loans to unrelated entities	1,000	1,000	1,100	1,100
Loans to other related parties	11,010	-	10,229	-
	12,010	1,000	11,329	1,100

The fair values are based on cash flows discounted using current lending rates of 6.5% (2007: 5.6%)

(b) Interest Rate Risk

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables:

	Floating interest rate	Non-interest bearing	Total
2008	\$000	\$000	\$000
Trade receivables	-	3,156	3,156
Unrelated parties receivables	1,000	-	1,000
Other related parties receivables	-	11,010	11,010
Other receivables	-	4,116	4,116
	1,000	18,282	19,282
Weighted average interest rate	8.8%	-	

12. Non-current assets – receivables

(b) Interest Rate Risk (continued)

	Floating interest rate \$000	Non- interest bearing \$000	Total \$000
2007			
Trade receivables	-	3,503	3,503
Unrelated parties receivables	1,100	-	1,100
Other related parties receivables	-	10,229	10,229
Other receivables	-	4,798	4,798
	<u>1,100</u>	<u>18,530</u>	<u>19,630</u>
Weighted average interest rate	8.2%	-	

(c) Credit Risk

With the exception of other related party receivables there is no concentration of credit risk with respect to current and non-current receivables, as the Group has a large number of regionally dispersed customers. Refer to note 2 for more information on the risk management policy of the Group. Receivables from other related parties are fully secured by a fixed and floating charge over a portfolio of listed securities.

(d) Impairment

Non of the non-current receivables are impaired or past due but not impaired.

(e) Risk exposure – further information

Further information about the Group's and parent entity's exposure to risk is provided in note 2.

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13. Non-current assets – investments accounted for using the equity method

Shares in associates (note 29)

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$	\$	\$	\$
10	10	10	10
10	10	10	10

(a) Shares in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity (refer note 14)

14. Non-current assets – other financial assets

Shares in Subsidiaries (note 28)

Shares in Associates (note 29)

Less provision for diminution in value

Capitalised Interest

Less amortisation of capitalised interest

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000
-	-	15,480	15,480
-	-	-	-
-	-	(15,480)	(15,480)
4,935	5,082	4,935	5,082
(2,045)	(1,412)	(2,045)	(1,412)
2,890	3,670	2,890	3,670

These financial assets are carried at cost.

**15. Non-current assets –
property, plant and equipment**

	Motor Vehicles \$000	Furniture, Fittings and Equipment \$000	Leasehold Improvements \$000	Total \$000
Consolidated				
At 1 July 2006				
Cost or fair value	152	7,407	4,610	12,169
Accumulated depreciation	(98)	(6,903)	(3,182)	(10,182)
Net book amount	55	504	1,428	1,987
Year ended 30 June 2007				
Opening net book amount	55	504	1,428	1,987
Acquisition of subsidiary	-	-	-	-
Additions	-	309	319	628
Disposals	(45)	-	-	(45)
Depreciation charge	(9)	(300)	(363)	(672)
Closing net book amount	-	513	1,384	1,897
At 30 June 2007				
Cost or fair value	-	7,716	4,929	12,644
Accumulated depreciation	-	(7,202)	(3,545)	(10,747)
Net book amount	-	514	1,384	1,897
Year ended 30 June 2008				
Opening net book amount	-	514	1,384	1,898
Additions	-	325	322	647
Depreciation charge	-	(229)	(368)	(597)
Closing net book amount	-	610	1,338	1,948
At 30 June 2008				
Cost or fair value	-	8,041	5,251	13,291
Accumulated depreciation	-	(7,431)	(3,913)	(11,344)
Net book amount	-	610	1,338	1,947

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 AS AT 30 JUNE 2008

15. *Non-current assets –
 property, plant and equipment (continued)*

	Motor Vehicles \$000	Furniture, Fittings and Equipment \$000	Leasehold Improvements \$000	Total \$000
Parent Entity				
At 1 July 2006				
Cost or fair value	152	6,641	4,610	11,403
Accumulated depreciation	(98)	(6,230)	(3,182)	(9,509)
Net book amount	55	411	1,428	1,894
Year ended 30 June 2007				
Opening net book amount	55	411	1,428	1,894
Additions	-	309	319	628
Disposals	(45)	-	-	(45)
Depreciation charge	(10)	(261)	(363)	(633)
Closing net book amount	-	461	1,384	1,844
At 30 June 2007				
Cost or fair value	-	6,951	4,929	11,879
Accumulated depreciation	-	(6,490)	(3,545)	(10,035)
Net book amount	-	461	1,384	1,844
Year ended 30 June 2008				
Opening net book amount	-	461	1,384	1,845
Additions	-	325	322	647
Depreciation charge	-	(205)	(368)	(573)
Closing net book amount	-	581	1,338	1,919
At 30 June 2008				
Cost or fair value	-	7,276	5,251	12,527
Accumulated depreciation	-	(6,695)	(3,913)	(10,608)
Net book amount	-	581	1,338	1,919

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 AS AT 30 JUNE 2008

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

16. Non-current assets – investment properties

At Fair value

Opening balance at 1 July	146	773	-	-
Capitalisation of Subsequent Expenditure	31	0	-	-
Net gain (loss) from fair value adjustment	(152)	(626)	-	-
Closing balance at 30 June	25	146	-	-

(a) Operating amounts recognised in profit and loss for investment property

Rental Income	511	477	-	-
Direct operating expenses from property that generated rental income	(378)	(484)	-	-
	133	(7)	-	-

(b) Valuation basis

The basis of valuation of investment properties is fair value being the amount for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The valuation was performed by the managing agent of the property.

(c) Contractual obligations

Refer note 28 for disclosure of any contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements

(d) Leasing arrangements

The investments properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of the investment property not recognised in the financial statements are receivables as follows:

Within one year	311	384	-	-
Later than one year but not later than five years	280	327	-	-
	591	711	-	-

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 AS AT 30 JUNE 2008

17. Non-current assets – intangible assets

Consolidated

At 1 July 2006

Cost	5,527	1,970	7,497
Accumulated amortisation and impairment	(4,817)	(1,970)	(6,787)
Net book amount	710	-	710

Year ended 30 June 2007

Opening net book amount	710	-	710
Additions	205	-	205
Impairment	-	(1,970)	(1,970)
Amortisation charge	(566)	-	(566)
Closing net book amount	349	-	(1,621)

At 30 June 2007

Cost	5,732	-	5,732
Accumulated amortisation and impairment	(5,383)	-	(5,383)
Net book amount	349	-	349

Year ended 30 June 2008

Opening net book amount	349	-	349
Additions	104	-	104
Amortisation charge	(210)	-	(210)
Closing net book amount	243	-	243

At 30 June 2008

Cost	5,836	-	5,836
Accumulated amortisation and impairment	(5,593)	-	(5,593)
Net book amount	243	-	243

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2008

17. Non-current assets – intangible assets (continued)

Parent Entity

At 1 July 2006

Cost	5,527	1,970	7,497
Accumulated amortisation and impairment	(4,817)	(1,970)	(6,787)
Net book amount	710	-	710

Year ended 30 June 2007

Opening net book amount	710	-	710
Additions	205	-	205
Amortisation charge	(566)	-	(566)
Closing net book amount	349	-	349

At 30 June 2007

Cost	5,732	-	5,732
Accumulated amortisation and impairment	(5,383)	-	(5,383)
Net book amount	349	-	349

Year ended 30 June 2008

Opening net book amount	349	-	349
Additions	104	-	104
Amortisation charge	(210)	-	(210)
Closing net book amount	243	-	243

At 30 June 2008

Cost	5,836	-	5,836
Accumulated amortisation and impairment	(5,593)	-	(5,593)
Net book amount	243	-	243

The impairment charge arose with respect to the goodwill recognised on the merger with the Sydney Chamber of Commerce (formally known as the State Chamber of Commerce (NSW)) following a decision to realign the strategy to focus on membership and events initiatives for the city of Sydney.

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 AS AT 30 JUNE 2008

	CONSOLIDATED		PARENT ENTITY	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
18. Current liabilities – trade and other payables				
Trade payables	624	1,821	614	1,686
Unsettled investment transactions	368	564	368	564
Grants unearned	1,278	441	1,278	390
Other payables	6,373	6,301	3,953	4,041
Deferred income	143	188	97	121
Membership fees and other income in advance	3,613	3,550	3,089	2,968
Refundable carnet premiums	994	1,200	-	-
	<u>13,393</u>	<u>14,065</u>	<u>9,399</u>	<u>9,770</u>

(a) Amounts not expected to be settled within 12 months

Other payables include accruals for annual leave. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months.

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

Annual leave obligation expected to be settled after 12 months	228	172	155	121
	<u>228</u>	<u>172</u>	<u>155</u>	<u>121</u>

(b) Risk exposure

Neither the Group's nor the parent entity's liabilities include financial instruments that are exposed to risk as set out in note 2.

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2008

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

19. Current liabilities – borrowings

Secured

Other loans (refer note 21(b))

-	65	-	65
---	----	---	----

Total current borrowings

-	65	-	65
---	----	---	----

20. Current liabilities – provisions

Employee benefits – long service leave

693	781	693	781
-----	-----	-----	-----

693	780	693	780
-----	-----	-----	-----

(a) Amounts not expected to be settled within 12 months

The current provision for long service leave 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 Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

Long service leave obligation expected to be settled after 12 months

266	606	266	606
-----	-----	-----	-----

266	606	266	606
-----	-----	-----	-----

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

21. Non-current liabilities – borrowings

Secured

Other Loans	-	-	-	-
Total non-current borrowings	-	-	-	-

(a) Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Other Loans	-	65	-	65
Total secured liabilities	-	66	-	66

(b) Other Loans

Other loans were hire purchase agreements that have not been repaid.

These loans are secured by a fixed charge over the assets purchased via the loan.

(c) Interest rate risk exposure

The following table sets out the Group's exposure to interest rate risk.

	2008		2007	
	Fixed Interest maturing in one year or less \$000	Total \$000	Fixed Interest maturing in one year or less \$000	Total \$000
Other Loans	-	-	65	65
	-	-	66	66
Weighted average interest rate	6.50%		5.60%	

(d) Fair Value

The carrying amount and fair value of borrowings at balance date are:

	2008		2007	
	Carrying amount \$000	Fair value \$000	Carrying amount \$000	Fair value \$000
On-balance sheet				
Other Loans	-	-	65	65
	-	-	66	66

None of the classes are readily traded on organised markets in standardised form.

Fair value is inclusive of costs which would be incurred on settlement of a liability.

(1) On-balance sheet

The fair value of borrowings is based upon the market prices where a market exists or by discounting the expected future cash flows by the current interest rate for liabilities with similar risk profiles.

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2008

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

22. Non-current liabilities – provisions

Employee benefits – long service leave

691	531	401	372
691	531	401	372

23. Reserves and retained profits

(a) Retained profits

Movements in retained profits are as follows:

Balance 1 July	406,010	363,863	406,306	364,503
Net profit/(loss) for the year	(50,026)	42,147	(52,457)	41,803
Balance 30 June	355,984	406,010	353,849	406,306

(b) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard its ability to continue to operate as a going concern. The group maintains a capital management strategy with the purpose of providing an annual sustainable distribution to finance the ongoing activities, including operational expenses and strategic investments whilst maintaining the real value of the investment portfolio in perpetuity.

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 AS AT 30 JUNE 2008

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

24. Key management personnel disclosures

(a) Directors

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

- (i) President - non-executive
 - K L Wilson - resigned 23 November 2007
 - I B Penfold - elected 23 November 2007
- (ii) Deputy President - non-executive
 - I B Penfold - elected President 23 November 2007
 - D J Malloch - appointed 23 November 2007
- (iii) Non-executive directors

<ul style="list-style-type: none"> C J Bayliss T H Cairney M J Capps - resigned 16 February 2008 D Gilbert - resigned 16 February 2008 T C Wetherall - appointed 23 November 2007 	<ul style="list-style-type: none"> R L Hood D Michaelis I A Pollard - resigned 23 November 2007 G D Hutchinson - resigned 23 November 2007 J T Fahey - appointed 23 November 2007
--	--
- (iv) Managing Director
 - K MacDonald - appointed 20 February 2008

(b) Other key management personnel

K J MacDonald - Managing Director/ Chief Executive Officer
 S P Spicer - Chief Operating Officer/ Finance Director
 P H Orton - Membership & Policy Director
 P Martin - General Manager Business Innovation Services (appointed 1 May 2008)
 G Pattison - General Manager Workplace Solutions
 C Gibbs Stewart - General Manager International Trade
 D J Cocks - General Manager Australian Business Limited Apprenticeships Centre Pty Limited
 H Bermingham - Human Resources Director
 P Forsythe - Executive Director, Sydney Chamber of Commerce
 A Berzins - Company Secretary/Treasury Manager

Short term employee benefits	2,813	2,353	2,813	2,353
Termination Benefits	-	509	-	509
	<u>2,813</u>	<u>2,861</u>	<u>2,813</u>	<u>2,861</u>

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2008

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

25. Remuneration of auditor

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

(a) Assurance Services

Audit Services

PricewaterhouseCoopers Australian firm

Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	132	150	75	130
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Total remuneration for audit services	132	150	75	130
---------------------------------------	-----	-----	----	-----

Other assurance services

PricewaterhouseCoopers Australian firm

Audit of regulatory returns	6	2	6	2
AASB7	3	-	3	0
AlFRS accounting services	0	29	0	29
Audit of transition of investment custodian	(6)	20	(6)	20
Other accounting services	11	15	11	15

Total remuneration for other assurance services	14	66	14	66
---	----	----	----	----

Total remuneration for assurance services	146	216	89	196
---	-----	-----	----	-----

(b) Taxation Services

PricewaterhouseCoopers Australian firm

Taxation compliance services including review of income tax returns for entities in the group.	15	9	-	0
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Income tax status review	15	3	15	3
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Total remuneration for taxation services	30	12	15	3
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It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting work.

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

26. Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

Investment property

Within one year

76	23	76	23
76	23	76	23

(b) Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

Within one year

Later than one year but not later than five years

Later than five years

4,227	3,794	1,049	861
9,684	10,669	1,801	1,979
8,340	8,268	1,641	1,641
22,251	22,731	4,491	4,481

Representing:

Non-cancellable operating leases

Future finance charges on finance leases

22,251	22,731	4,491	4,481
-	-	-	-
22,251	22,731	4,491	4,481

(1) Operating leases

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

The Group 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.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year

Later than one year but not later than five years

Later than five years

4,227	3,794	1,049	861
9,684	10,669	1,801	1,979
8,340	8,268	1,641	1,641
22,251	22,731	4,491	4,481

Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases

615	711	-	-
-----	-----	---	---

(c) Repairs and maintenance: Investment properties

Contractual obligations for future repairs and maintenance

- not recognised as a liability

-	45	-	-
---	----	---	---

(d) Investing Commitments

A commitment for an investment in securities pursuant to the provisions of Trust Deeds dated 3 February 1998, 24 September 2003, 30 November 2005 and 19 December 2007 managed by Macquarie Bank Limited.

Due after one year dependent upon drawdowns

18,137	16,920	18,137	16,920
18,137	16,920	18,137	16,920

NSW BUSINESS CHAMBER LIMITED AND CONTROLLED ENTITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2008

CONSOLIDATED		PARENT ENTITY	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

27. Related party transactions

(a) Parent entity

The parent entity and ultimate controlling party within the Group is NSW Business Chamber Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 28.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 24.

(d) Transactions with related parties

The following transactions occurred with related parties:

Sales of goods and services

Sale of human resource and support services to subsidiaries		-	1,527	1,206
Sale of human resource and support services to other related parties	191	159	191	159

Other transactions:

Remuneration paid to Non-Executive Directors, Committee Chairs and Regional Presidents of the ultimate Australian parent entity	581	406	581	406
Sponsorship of subsidiaries activities	-	-	775	3,944
Purchase of training and consulting services from other related parties - (Organisation ChangeWorks)	-	20	-	20

(e) Loans to/from related parties

Loans to subsidiaries

Beginning of the year	-	-	7,720	12,809
Loans advanced	-	-	1,872	2,752
Loan repayments received	-	-	(5,844)	(7,841)
Interest charged	-	-	-	-
Interest received	-	-	-	-
End of year	-	-	3,748	7,720

Loans to other related parties

Beginning of the year	13,900	13,900	13,900	13,900
Loans advanced	-	-	-	-
Loan repayments received	-	-	-	-
Interest charged	634	687	634	687
Interest received	(634)	(687)	(634)	(687)
End of year	13,900	13,900	13,900	13,900

28. Subsidiaries

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

Parent Entity	Country of Incorporation	Activity	Equity Holding	
			2008 %	2007 %
NSW Business Chamber Limited	Australia	Industry and Business Services Organisation		
Controlled Entities				
Australian Chambernet Pty Limited *	Australia	Non Trading	100	100
Australian Business Limited Apprenticeships Centre Pty Limited	Australia	Apprenticeship supplier	100	100
Australian Apprenticeships Alliance Pty Limited	Australia	Apprenticeship supplier	100	100
Workplaceinfo Pty Limited *	Australia	Non Trading	100	100
Australian Business Pty Limited	Australia	Professional Services	100	100
Sydney Chamber of Commerce	Australia	Industry and Business Services Organisation	#	#

* These entities are not required to prepare audited statutory accounts.

Sydney Chamber of Commerce is a company limited by guarantee and NSW Business Chamber Limited (NSWBC) owns a special membership which entitles NSWBC to control of Sydney Chamber of Commerce.

29. Investments in associates

(a) Carrying amounts

Information relating to associates is set out below.

Name of company	Principal activity	Ownership interests		Consolidated		Parent Entity	
		2008	2007	2008	2007	2008	2007
		%	%	\$	\$	\$	\$
<i>Unlisted</i>							
Small Business Training Company	Training	-	40	-	-	-	-
Australian Chambers Alliance	Professional Services	14	14	10	10	10	10
				10	10	10	10

The above associates are incorporated in Australia

(b) Movement in carrying amounts

Carrying amount at the beginning of the financial year	10	-	10	-
Investment in Associate	-	10	-	10
Share of losses for year	-	-	-	-
Carrying amount at the end of the financial year	10	10	10	10

(c) Share of associates' profit or losses

Profit (Loss) before income tax	-	(501,299)
Income tax expense	-	-
Profit (Loss) after income tax	0	(501,299)

It is not expected that the associate will make a profit therefore according to the rules contained in AASB 128, no further losses are recognised where losses exceed the interest in the associate.

30. Reconciliation of operating profit/loss after income tax to net cash inflows from operating activities

	CONSOLIDATED		PARENT ENTITY	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Operating profit/(loss) after income tax	(50,026)	42,147	(52,457)	41,803
Depreciation and amortisation	808	1,292	784	1,216
Fair value adjustment to investment property	121	626	-	-
Loss/(Profit) on sale of plant and equipment	4	21	4	21
Deferred tax asset	(350)	-	-	-
Provision for non recovery of debt in controlled entity	-	-	(1,356)	(5,096)
Decrease/(increase) in trade debtors	387	(18)	391	120
Decrease/(increase) in other receivables	681	2,463	876	3,090
Decrease/(increase) in investments net of transfers	42,906	(42,000)	42,906	(42,000)
Increase/(decrease) in creditors	(672)	1,999	(371)	1,094
Increase/(decrease) in other provisions	73	148	(58)	118
Provision for doubtful debts	(40)	(14)	(40)	(48)
Net cash inflow/(outflow) from operating activities	(6,108)	6,664	(9,321)	318

Directors' Declaration

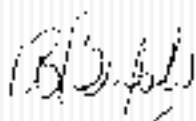
In the directors' opinion:

- (a) the financial statements and notes set out on pages 45 to 83 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and Group's financial position as at 30 June 2008 and of its performance, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declaration by the Chief Executive Officer and Finance Director as defined by Section 295A of the Corporations Act (2001).

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

8 September 2008



I B Penfold
President



D Michaelis
Director



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Independent auditor's report to the members of NSW Business Chamber Limited

Report on the financial report

We have audited the accompanying financial report of NSW Business Chamber (the company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both NSW Business Chamber Limited and the NSW Business Chamber group (the consolidated entity).

The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.



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Independent auditor's report to the members of NSW Business Chamber Limited (continued)

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the financial report of NSW Business Chamber Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the consolidated financial statements and notes also complies with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in black ink, appearing to read 'Manoj Santiago', positioned above a horizontal line.

Manoj Santiago

Partner

PricewaterhouseCoopers

Sydney

8 September 2008



NSW Business Chamber represents over 30,000 businesses in NSW and connects over 100,000 businesses across Australia through the State and Territory Chamber Network.

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