



annual report 2009

NSW Business Chamber

Invigorating Business

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A year of achievement in difficult economic times

It seems like an eternity ago, but it was just over one year ago that economic commentators were warning Australians about the dangers of high inflation and the need for the Reserve Bank to keep official interest rates high. Within months, the full force of the global financial crisis (GFC) rocked international markets and there was serious talk of the world entering what some were calling a "great recession".

The impact of the GFC forced all organisations around the world to reassess their strategies and plans in light of the sudden deterioration in credit markets and in confidence. NSW Business Chamber's response was to undertake a program of review to contain costs and improve the capacity of the organisation to meet member and client needs which was appropriate given the changed economic circumstances. The organisation has had to reduce costs and at the same time ensure it is still ready to seize on any further opportunity to grow. This is not an easy balance to achieve in the best of times, but I acknowledge the support of the Board, NSW Business Chamber Council, Regional Presidents and management in the co-operative way all have worked together to achieve this goal.

Delivering better value for members

Despite the broader economic conditions, the Chamber has had a year of achievement of which all can be proud. Membership has held steady at around 4,800 members and the organisation has worked hard at simplifying many of the complexities around membership packages. This process has and will continue to deliver better value for members and lower administrative costs for the organisation.

NSW Business Chamber publications and events sought to provide practical advice to members about how to thrive in difficult economic times. The work of the Chamber's Business Hotline, the launch of www.askushow.com.au as well as the release of publications like *Bright Ideas for Smart Businesses* were all parts of our determination to help give our members the best advice during difficult times.

The Australian Business Limited Apprenticeships Centre (ABLAC) met its targets, assisting with the placement of apprentices to 20,000 companies during 2008/09. Government confidence in the service has seen the ABLAC contract extended to September 2011. The launch of Australian Business Talent specifically targeting apprenticeship and traineeship recruitment also strengthens the Chamber's expertise in broadening the skill base of NSW and ACT businesses.

NSW Business Chamber, through the Australian Chamber Alliance partnership, has also secured a contract to provide Fair Work Education and Information workshops throughout NSW. The Australian Chamber Alliance has allowed us to participate successfully in the provision of national contracts.

2008 saw a major win for NSW Business Chamber with the State Government agreeing to a \$1.9 billion cut to payroll tax in NSW. This followed a long and concerted campaign from

the Chamber. The move towards a nationally harmonised OH&S system will be welcomed by all members with the new national system being a fairer system for all. The launch of the NSW Reclaiming 1st campaign over the coming year will play an important role in lifting the policy debate in NSW. I want to acknowledge the important work the Chamber policy committees play in helping shape our public agenda.

New Constitution

Over the year the Governance and Constitutional Taskforce reviewed and recommended a number of changes to the NSW Business Chamber Constitution. The changes, which included bringing the Constitution in line with modern practices, were adopted by Members on 2 July 2009.

The past year has been a year of challenge and change for the organisation and I want to acknowledge the work of the Board, the contribution of former Managing Director and CEO Kevin MacDonald as well as the State Council, Regional Councils, local chambers and staff.



Ian Penfold

President

Board Members



From left to right: Ian Penfold, President, David Malloch, Deputy President, Christopher Bayliss, Professor Trevor Cairney, Anthony Dormer, Dr John Fahey, Roger Hood, David Michaelis, Terence Wetherall



Empowering our members to maximise their business potential

Since joining NSW Business Chamber as its new Chief Executive Officer on 1 July this year, my focus has been on ensuring that the organisation is clear about its purpose, is structured in a way that makes it fit for this purpose, and has a management team and staff that are fully engaged and enthusiastic about the future of the organisation.

I am aware that, in recent times, there has been some debate over the exact mission of NSW Business Chamber. To my mind it is clear – our job is to do everything in our power to help our members maximise their business potential. We should not be closed minded about how this mission can be achieved – changing times will require us to change the way we go about helping our members, so continuous review and improvement must be the cornerstone of our business model.

Traditionally we have helped our members maximise their potential by providing them with the best advice, the most comprehensive range of targeted products and services, and through our lobbying of government at all levels to remove broader economic impediments to growth. These key deliverables will remain central to our member value proposition, but we also need to be constantly exploring other ways that we can use our considerable resources and influence for the benefit of our members.

The right advice, training and support

As someone who has started and grown two successful businesses, I know the importance of getting the right advice, training and support. Our work at NSW Business Chamber is to do exactly that for our members, as well as for the allied associations and affiliated chambers that use our services.

Whilst the Chamber already has a broad suite of products and services for members and has great depth in terms of its personnel and member engagement through the Councils and Policy Committees, I do believe that we can do better. In my view, we already have the talent, resources and alliance partners in place to deliver on this potential. What we now need to do is ensure that we have the right focus and disciplines in place to take full advantage of these assets.

In the coming months the NSW Business Chamber management and Board will be assessing a number of new projects which will seek to strengthen the services we offer to our members. These projects will capitalise on the work already undertaken over the past year to deliver stronger organisational efficiency and outcomes, and will seek to further enhance the benefits of membership.

The NSW Reclaiming 1st initiative will also play a critical role in highlighting the policy solutions needed to strengthen the NSW economy and prepare it for growth. As the largest state economy, NSW has been underperforming for a long time, and the challenge before us is to work constructively with all stakeholders to develop solutions that will create jobs and growth.

I am also keen to continue to strengthen the relationship between the NSW Business Chamber and the other Chambers around Australia to ensure that the Chamber movement takes full advantage of any opportunities to promote the interests of business at a national, state, regional and local level. In support of this vision, NSW Business Chamber will this year embark upon an exciting new program to actively partner with the hundreds of local Chambers of Commerce throughout NSW in order to ensure that these important business groups receive support to effectively represent the interests of business at a local level, and to ensure that their voices are heard at a state and national level.

The year ahead will throw many obstacles in front of our members. Businesses in NSW, both large and small, face an uncertain global economic environment, a changing and untested workplace relations landscape, the potential introduction of a carbon trading scheme, and the looming spectre of a potentially unfair distribution of Commonwealth tax revenue, which will all combine to ensure that business conditions in this state remain challenging.

However, despite all of this uncertainty, one thing is for sure – NSW Business Chamber will never stop fighting for its members. This is our promise, and we intend to deliver.



Stephen Cartwright

CEO





Delivering a better deal for your business

NSW Business Chamber has delivered a renewed offensive on reducing the costs of doing business in NSW and Australia supported by a campaign to regain NSW's position as Australia's leading state.

The past year has seen one of our hardest fought campaigns bear fruit as the reduction in the payroll tax rate in NSW starts its three year roll out. A sustained campaign over four years comprising 43 media releases, 76 news articles, 6 policy documents and submissions and one-on-one dialogue with the NSW Premier and Treasurer delivered a \$1.9 billion commitment to cut payroll tax from 6% to 5.5% by 1 January 2011. The first cut to 5.75% has already been implemented, with cuts to 5.65% and 5.5% scheduled to roll out over the next two calendar years.

The Chamber ensured that the NSW Government did not react in a knee-jerk fashion to the global recession by cancelling the payroll tax cuts. NSW Business Chamber secured assurances in the November 2008 NSW Mini-Budget and the June 2009 State Budget that the reductions in payroll tax would proceed.

Representing the interests of the business community

In addition to the \$1.9 billion saving in payroll tax, NSW Business Chamber succeeded in achieving a commitment from the NSW Government to reduce the cost of red tape on NSW businesses by \$500 million by June 2011. This strong outcome resulted from a determined campaign engaging directly with the NSW Minister for Regulatory Reform to set targets for reductions in red tape.

NSW Business Chamber has continued to be the leading business organisation in NSW representing the interests of the business community with senior Federal and State Ministers. Over the past year, we hosted a special address to the business community with Prime Minister Kevin Rudd, a post-Budget address by Federal Treasurer Wayne Swan along with several meetings with senior government members including the NSW Premier and Treasurer.

Further to our interactions with government, NSW Business Chamber's Pollies for Small Business program recorded a record breaking attendance with over 100 Federal and NSW MPs taking part in August 2008. The program puts local MPs into the shoes of a small business owner for a day is strongly supported by the local chambers of commerce network.

NSW Reclaiming 1st

In April 2009, NSW Business Chamber launched the NSW Reclaiming 1st campaign.

This campaign is designed to energise the wider community to fill the policy void that our members have identified in NSW. In May, July and September 2009 NSW Business Chamber held three of four planned symposiums for the year on the critical policy areas of improving infrastructure; boosting the NSW economy; and reducing the burden on business. These events have brought together experts from business, academia and government to create a policy framework for NSW Business Chamber to advocate to the next NSW Government as the critical steps to create real opportunities for growth. The final event in this series, on reforming government, is scheduled for November 2009.

NSW Business Chamber has been able to secure the support of a variety of well-known experts including Peter Holmes à Court who launched the campaign, as well as key panellists Paul Forward, Garry Glazebrook, Sally Loane, Bill Evans and Michael Costa.

In March 2010 we will be launching our final policy platform to mark the one year countdown to the next NSW State Election and will commit resources to campaigning for the next Government to adopt these policies.

For more information on the NSW Reclaiming 1st campaign visit www.nswreclaiming1st.com.au



OH&S

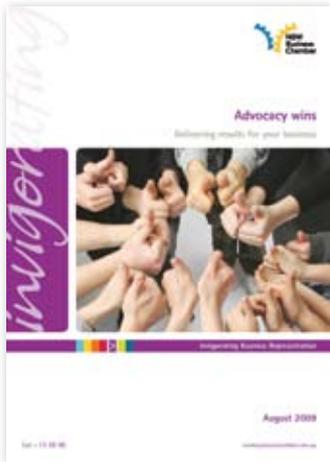
Reform of the NSW Occupational Health and Safety (OH&S) system continued to be a major concern for employers and a high priority for the Chamber.

The decision of the NSW Government to support the development of National Harmonised OH&S Laws was a major step forward in the reform of OH&S in NSW. The NSW Business Chamber made substantial submissions to the National Review Panel and its recommendations included the major changes sought by the Chamber on behalf of members.

The global financial crisis has a major impact on the financial position of the NSW Workers Compensation Scheme, with the scheme moving into a significant deficit mid-year. The Chamber argued there was no need to increase premiums despite the deficit, and welcomed the Government's decision not to increase tariff rates for the 2009/10 year.

NSW Business Chamber entered into partnership with the National Safety Council to deliver public training. The arrangement enables the Chamber to offer members a wider range of training in OH&S. The Chamber's OH&S team continued to deliver in-house support to members on OH&S and workers compensation matters.

Two WorkCover Assist projects were undertaken during the year, in conjunction with Australian Business Industrial, providing guidance and simple tools to assist business. The first project involved developing an educational CD for small to medium sized businesses to provide training to address manual handling in the workplace. The second project was designed to help new workforce entrants and their employers, particularly apprentices and trainees.



Advocacy Wins

NSW Business Chamber lobbies	Government listens and responds
<p>Protecting cuts to payroll tax</p> <p>"Payroll tax is a tax on jobs, NSW Business Chamber chief said."</p> <p>Australian Financial Review, 05/06/09</p>	<p>NSW Government reaffirms commitment to cut payroll tax rate to 5.5% by 1 January 2011.</p>
<p>Supporting Government reform</p> <p>"While Victoria has only 11 Budget-dependent agencies, NSW has over 60...there are significant opportunities...to reduce duplication by extending the process of agency rationalization."</p> <p>NSW Business Chamber, Reducing the cost of doing business in NSW Report.</p>	<p>NSW Government announces reform of public service to 13 super departments.</p>
<p>Reducing the burden on business</p> <p>"The NSW Business Chamber says that cutting red tape could save businesses more than \$700 million and create jobs."</p> <p>Sydney Morning Herald, 26/02/09</p>	<p>NSW Government commits to cutting red tape costs on business by \$500 million.</p>
<p>Securing a temporary tax break for business investment</p> <p>"...believes the extent of the deterioration in economic prospects globally warrant the government giving consideration to increasing the size of the (investment) allowance and extending its operation until December 2009."</p> <p>ACCI Pre-Budget Submission to Federal Government (ACCI represents NSW Business Chamber at the Federal Level)</p>	<p>Federal Government extends temporary investment allowance for plant and equipment to 50% for small business in 2009 Federal Budget.</p>
<p>Harmonising national OH&S systems</p> <p>"Employers believe the NSW Act does not fairly recognise the reality of the workplace,...they are required to achieve outcomes that are impossible and if they are prosecuted they have few prospects of successfully defending the prosecution."</p> <p>NSW Business Chamber submission to the National Review into Model OHS Safety Laws</p>	<p>NSW Government agrees to adopt national OH&S model with removal of reverse onus of proof, no union prosecutions and adoption of 'reasonably practicable' duty of care.</p>

Protecting jobs in small business

"A zero increase in minimum wages is the most prudent action that the Australian Fair Pay Commission can take, given the speed and severity of the economic downturn in Australia...that are impeding business and discouraging employment."

NSW Business Chamber submission to the Australian Fair Pay Commission

Australian Fair Pay Commission maintains minimum wage at current rate of \$14.31 an hour to protect jobs



Keeping downward pressure on workers compensation premiums

"Anticipating the likely impact of the global financial crisis on the NSW workers compensation system's finances NSW Business Chamber lobbied for no increase in workers compensation premiums in the event the scheme were to go into deficit."

NSW Business Chamber Workplace Solutions Manager

NSW Government announces workers compensation industry tariff rates and Industry Claims Cost Rates will not change for the 2009/10 financial year after recording a \$1.78 billion deficit.



Balancing the FairWork IR system

"We believe that an employee's right not to join a union should be respected, and so we have recommended that the Government amend the proposed rules so that unions can only inspect the records of the employees who have chosen the union as their representative."

The Australian, 14/01/09

Federal Government restricts union access to employee records of non-union members.

Campaigning for a responsible paid parental leave scheme

"A national paid parental leave scheme should not impose financial or administrative obligations on employers, and the significant costs currently borne by employers in implementing unpaid parental leave entitlements must be recognised."

NSW Business Chamber submission to Inquiry into Paid Maternity, Paternity and Parental Leave

Federal Government removes costs of compulsory superannuation on paid parental leave scheme.

Targeting skills for regional businesses

"The NSW Government needs to target funding to ensure that regional businesses have access to training that meets local skilling and employment needs."

NSW Business Chamber submission to Strategic Skills Program Consultation

NSW Government announces funded jobseeker and existing worker training including sectors of priority to regional NSW, such as retail, business, finance, property, aviation, rail transport and logistics.



Workplace Relations

Workplace relations has again been a major area of endeavour in 2008/09.

The workplace relations landscape this year has been dominated by two key issues: the introduction of the Government's new workplace relations system and the process of award modernisation.

NSW Business Chamber has liaised directly with the Government about the impact of its new legislation and worked closely with Australian Chamber of Commerce and Industry to influence outcomes. The Chamber participated in COIL (Committee on Industrial Legislation – a sub-committee of the National Workplace Relations Consultative Committee), working to influence the drafting of the legislation.

NSW Business Chamber also made extensive submissions to, and appearances before, Parliamentary inquiries into the new laws, achieving a number of modifications to the main, transitional and consequential legislation.

Award modernisation is the process by which the Australian Industrial Relations Commission is creating a set of new, national awards that will replace existing Federal awards and NAPSAs (notional agreements preserving state awards). Australian Business Industrial (ABI), the NSW Business Chamber's industrial relations affiliate, has and will continue to participate in these proceedings to represent member interests.

ABI also continues to represent members in areas such as the State and Federal minimum wage reviews and award matters.

On the broader workplace policy front, NSW Business Chamber has had significant lobbying wins in superannuation and in the final form of the Government's paid parental leave scheme.

NSW Business Chamber has also been active in the international workplace relations arena. Dick Grozier, Director Industrial Relations led the Australian employer delegation to the International Labour Organisation Conference in Geneva this year.

Defence Unit

There has been much in the news over the past year about Australia's defence capability planning for the future, including the release of a new Defence White Paper and Defence Capability Plan.

Member companies of the Australian Business Defence Industry Unit (ABDIU), part of the NSW Business Chamber, continue to be key components of this defence capability and the ABDIU is there to help equip members to gain a share of the \$26 billion annual Defence budget.

The ABDIU continues to be a key industry group providing members with specialist defence business advice, regular market intelligence, defence briefings, networking, training and defence industry policy advocacy. This support improves members' ability to successfully win defence dollars.

Over the past year the ABDIU has helped members through the following key initiatives:

- > Provided members' views direct to the Department of Defence on several major reviews including the Defence White Paper, the Mortimer Review of Defence Acquisition, the Defence Materiel Organisation Support Services Panel refresh and the review of the structure of the Defence Capability Plan.
- > Conducted 13 tender training workshops for members, including a number that were subsidised by the NSW Government in regional NSW.
- > Held nine member briefings on a range of defence industry topics including Defence Communications, Amphibious Ships, Army Training, Defence Exports, Defence Support Group, the Shadow Minister for Defence, the Defence Materials Technology Centre and the Defence Budget.
- > Undertook a survey of the NSW defence industry sector on behalf of the NSW Government aimed at providing baseline information to frame NSW endeavours to win more of the Defence budget.
- > Continued to keep members informed on the latest defence market and tender opportunities through weekly and monthly electronic newsletters.

For more information about how the ABDIU can assist you visit www.australianbusiness.com.au/defence or call (02) 6239 1488.



Business Sustainability

A major issue for the majority of businesses in NSW is adapting both to climate change and the policy measures being considered at a national level to mitigate the effects of increasing concentrations of greenhouse gases. In the short term these impacts will be felt directly through increased costs of energy. Coupled with this will be the changing requirements of consumers. Business purchasers of products and services increasingly want to know about and have requirements for demonstrating the sustainability performance of supply chain participants. Those selling direct to consumers will know that consumer preferences for more sustainable products and services are increasingly becoming part of their purchasing decisions.

Sustainability Toolkits

To help prepare businesses for these changes the NSW Business Chamber with funding from the Commonwealth Department of Environment, Water, Heritage and the Arts produced three toolkits for manufacturing, hospitality and office-based businesses. These will be used in a series of seminars in 2009/10 to help promote both the financial benefits and the 'how to' of becoming more sustainable.

The NSW Business Chamber is also participating in the NSW Government's Sustainability Advantage program to improve its own efficiency in the use of energy, water and resources. The Chamber also recommends this subsidised program to members.

For more information about the sustainability toolkits visit www.nswbusinesschamber.com.au



Representing the voice of businesses in NSW

Membership

The key focus of the NSW Business Chamber over the past 12 months has been to develop greater value for members by expanding tangible benefits, assisting them to weather the global financial crisis and emerge 'fit for the future' by 'trimming their fat, not their muscle'. The following initiatives were developed with this theme in mind.

Innovative Membership packages

- > The number and complexity of membership packages was reduced from 22 to six.
- > A new range of four "business" level memberships was launched which feature an expanded range of new and innovative entitlements such as:
 - **Ask us How** website
 - **Ask an Expert** service
 - Business Compliance Toolkit
 - Business Vitality™ Express Check
 - WorkplaceInfo subscriptions and trials of other commercial products
 - A new interactive Your Chamber web-based dashboard for member access to entitlements
- > Two new subscription packages were launched for businesses that wish to engage at a lower level while still experiencing the support and value of the Chamber:
 - IR subscription package
 - Networking package
- > Two new Corporate membership packages were developed, designed to allow Corporate members to self-select their focus and then tailor their package based on their specific business needs:
 - NSW Corporate Advantage
 - Sydney Corporate Advantage
- > The range of innovative self-select bundles include:
 - CEO Club
 - Human Resources Directors' forum
 - Australian Business Foundation membership
 - Legal retainers
 - Executive Events series
- > A new range of local chamber membership packages was developed to engage the broad Chamber movement, to support its growth and develop a single voice for all

businesses in NSW. The new packages have been tested with a number of chambers across NSW and are expected to be released in October 2009.

- > A series of events was launched around the state to impart the skills and knowledge required to weather the global financial crisis. These included:
 - Thrive in turbulent times series – 114 attendees
 - 50 great marketing ideas on a shoestring budget – 354 attendees
 - Fair workplace reforms – what will it mean for your business? – 939 attendees
 - Keynote addresses by the Prime Minister, Kevin Rudd and Treasurer, Wayne Swan
 - During the year over 2400 members and non-members attended our range of NSW Business Chamber events.



New product offerings

1. **Your Chamber** member dashboard

This website provides a window to membership entitlements and allows members to access all their entitlements, services and offerings of the NSW Business Chamber from one location. Since its launch in May 2009, member hits to the new site have increased 200% in comparison to the previous 12 months.

2. **Ask Us How** website

Ask Us How takes information from the NSW Business Chamber's vast repository, specially commissioned materials and links to credible sources and provides members with this information in easy to read fact sheets. By doing a large amount of the research for members, *Ask Us How* makes it easier for businesses to do their business. It also underpins a key reason for joining the Chamber which is access to information, advice and support from a trustworthy, credible source.

3. **Ask an Expert**

Complementing *Ask Us How*, *Ask an Expert* provides further support for members in taking the next steps. Members can email an expert to receive a considered written response which can provide further guidance on how to tackle their issue. The service provides information and adds value through practical business advice to achieve an outcome.

4. **Business Incubator** – Mid North Coast

In partnership with TAFE NSW and Hastings Shire Council, the NSW Business Chamber has launched a Business Incubator support service to provide mentoring support for people looking to start their own business and become less reliant on employment in the face of the global financial crisis. Based in Port Macquarie, a region with above average unemployment and low job availability, the Chamber and its partners have supported 35 new businesses create employment in the Mid North Coast. With support of the Federal Government and other partners, the program is set to expand to cover the whole of NSW North Coast with the potential of state-wide roll out.





Across the regions

1. Sydney West

- > In conjunction with 20 schools in Western Sydney, delivered another successful series of "Schools Bizlink" – bringing employers and students together to "touch the trade".
- > Infrastructure Priorities Paper supported and initiated by the Western Sydney Regional Council.
- > Developed a new "Defence Hub Group" and delivered a series of Defence Roundtable Meetings for members engaged in supplying the defence industry.

2. Sydney South

- > Sponsorship of the Textile, Clothing, Footwear and Leather Industry (TCF) Awards.
- > Partnership with NRMA to expand the M3 connection with the Illawarra.
- > Leading Award modernisation reform and lobbying for the TCF industry.

3. Sydney North

- > Jobs fair in the Northern Beaches to connect businesses with jobseekers attracted over 600 jobseekers and 65 employers. Over 30 positions were filled from this event.
- > Key lunch with Mike Baird in December 08 to gain insights into potential Liberal policies for the next election.
- > Press coverage of rising costs of parking in North Sydney, Chatswood and large business areas of the Northern Beaches.

4. Central Coast

- > Major transport/infrastructure whitepaper for the region has received recognition and adoption by Infrastructure Australia and the NSW Government.
- > Australian Bureau of Statistics recognised the Central Coast as a "region" following many years of work by staff and the Regional Advisory Council.

5. Mid North Coast

- > Business Incubator support service, providing mentoring support for people starting their own business.
- > Survey of members to identify the issues that have the greatest effect on their business and subsequent follow-up.
- > Working with the Australian Business Limited Apprenticeships Centres in the New England Area to promote membership.

6. Northern Rivers

- > Regional community spirit was highlighted with the staff of NSW Business Chamber supporting businesses during the regional flooding in Lismore, Grafton and Coffs Harbour with participation on the Disaster Recovery Committee and the Chamber's Business Hotline helping business in distress.
- > John Anderson from Contiki Tours shared his wisdom and experience with members in Ballina and Lismore.

7. Central West

- > Formation of the Central West Business Chamber to create a united voice for the region, affiliated directly with the NSW Business Chamber.
- > 12 regional chambers actively involved with advocacy on key issues of regional transport, water licenses and management and roads infrastructure.

8. Murray Riverina

- > Reformation of the Albury Regional Advisory Council (sub-group of the Murray-Riverina RAC) in early 2009 providing wider representation for members in the Murray Riverina region.
- > Commitment from councillors to chair topic specific quarterly forums.
- > Water Policy document for Murray Riverina region completed.

9. Canberra Business Council

- > Canberra Business Council celebrated its 30th anniversary as the leading business support organisation in the Australian Capital Territory.
- > Policy is a key ingredient of the Council's success with the ACT Government adopting 34 of 49 recommendations from their pre-budget submission.
- > Over 1000 business representatives attended the ACT and Federal Post Budget Breakfast to gain insights from key business and political figures.

10. Illawarra Business Chamber

- > New CEO Greg Fisher joins Illawarra Business Chamber to grow membership and representation in the Illawarra including the Southern Highlands and Shoalhaven.
- > Illawarra on Show major business event with over 1200 business visitors & 79 exhibitors.
- > Regularly over 300 members and non-members attend "Networking at Nights" which is Illawarra Business Chamber's key engagement activity with the business community.

11. Hunter Business Chamber

- > Hunter Business Chamber membership grows from 955 to 990 companies.
- > Federal Government responds positively to Hunter Business Chamber lobbying for funding of \$1.2 billion extension of F3 from Lake Macquarie to Branxton.
- > Hunter Business Chamber is among leader groups that lobby for and win support from the NSW Government for a redevelopment plan for the Central Business District of Newcastle.

12. Sydney Chamber

- > In its third year of development Sydney Chamber's top tier membership program Sydney First continued to grow with 34 leading corporations participating in programs.
- > The release of a major research paper, *Cities of Opportunity*, commissioned by the Chamber and PwC benchmarked key global cities in Asia Pacific.
- > The Sydney Chamber joined a key partnership of the NSW Government, Sydney City Council, Events NSW in a project known as Brand Sydney.





Superior Member Servicing

Membership extends beyond the packages and products that we offer. Membership is also about servicing members through personal interaction and support. During 2008/09 NSW Business Chamber supported its members in the following ways:

- The Business Hotline provided in-bound telephone support to over 28000 members' business calls.
- The Workplace Advice Line supported members through over 19000 telephone consultations.
- Australian Business Lawyers supported 230 members with complicated legal matters.
- A range of white paper documents including Bright Ideas for Small Business, Boosting Productivity and Managing Super in a Global Financial Crisis.
- 1340 members attended a broad range of NSW Business Chamber events including networking, educational series, executive round tables and keynote events.

Textile, Clothing, Footwear and Leather Industry Awards

The NSW Business Chamber, in conjunction with South Sydney Regional Advisory Council and the Faculty of Design, Architecture and Building from the University of Technology, Sydney (UTS), again sponsored the Textile, Clothing, Footwear and Leather Industry Awards. This year over 16 students vied for the coveted award with a 23 year old fashion designer from Willoughby, Charlotte Hicks, taking out the Award. Ms Hicks received a \$10,000 prize made up of cash and in-kind support from the Chamber, including advice on how to establish and run a successful business and export market development assistance.

Previous winners of the Award have gone on to achieve great success in the fashion industry. 2003 winners, Becky Cooper and Bridget Yorston, have been very successful in establishing their own fashion label and business, bec & bridge, which can now be purchased in major retail stores such as David Jones.

Australian Made, Australian Grown Campaign

Licensee numbers have grown to more than 1,500 companies, the highest in the campaign's 23 year history. In the nine months to March 09 we signed up more new licensees than in the entire 07/08 financial year.

The announcement of the closure of Pacific Brands (Bonds) Australian manufacturing sites generated strong consumer reaction. Consumers contacted talk back radio in protest, wanting to know how to buy Australian Made products. The result was an enormous number of interviews with our staff on TV, radio and in newspapers. At one stage we were being interviewed more than 35 times in one week. The Australian Made, Australian Grown Campaign now receives about 1,500,000 hits per month.

During the year three new TV/cinema commercials, one new radio advertisement and several new print campaigns – including the "Make every day Australia Day" promotion in January 2009 – were launched.

In April, The Sydney Morning Herald and The Age newspapers carried an eight page insert dedicated entirely to Australian Made.

A number of export initiatives took place over the year including in-store promotions and trade show participation in North America, South East Asia, The Middle East, as well as sponsorship and involvement in the first ever G'day UK project.

In the year ahead we will continue our consultation with the Federal Government about the Australian Made, Australian Grown logo being adopted as the new "nation brand" for Australia.

The first ever Australian Made Expo is being planned for January 2010 which will be held at the Sydney Convention and Exhibition Centre, and will be open to the public, allowing participating licensees to showcase their products.





Invigorating Membership in the year ahead

Moving forwards, the Membership team of the NSW Business Chamber will be focused on providing tangible value and choice while positioning the Chamber as a business solutions partner for members.

The Membership team will focus on five key areas to ensure that members and potential members of the Chamber receive business offerings and service levels to meet their particular needs and requirements. These include:

- > Front of House team – focused on servicing the needs of members and business community. This team will support member enquiries across the broad range of NSW Business Chamber services and offerings with the goal of satisfying 85% of all enquiries.
- > SME Markets team – dedicated to the majority of the membership base and potential members in NSW. The team will offer a range of support services from account management, renewal information, events promotions, products and services sales and support, member benefits offers and new membership opportunities.
- > Corporate/Middle Markets team – charged with supporting the specific needs of our corporate and larger members. This group of business professionals will ensure members maximise their entitlements, while giving members a support team to engage with in areas where the NSW Business Chamber has core competences.
- > Events team – dedicated to providing members with access to timely, relevant and practical events. This group of event development and delivery specialists will work across events ranging from 'networking to grow business' to 'networking to grow knowledge', educational series and forums, executive level series and roundtables as well as keynote speakers and awards programs, such as the NSW Business Chamber Annual Dinner and Awards.
- > Channel team – focused on leveraging opportunities with business partners. This group will concentrate on growing NSW Business Chamber membership through partner, alliance and strategic business relationships and gain access for members to a broad range of products and membership benefits.

A focus on people will be central to the success of the Membership team in the coming years. A program of identifying the right people for the right jobs, building a solid skills base and teaming across the NSW Business Chamber will achieve outcomes for members and the business community through enhanced collaboration and facilitation.

Chamber Movement

The ongoing goal of the Membership team is to develop the concept of the "Chamber Movement" ensuring that business owners, employees, policy makers and the community understand the value of a united business "Voice". Our mission is to represent the voice of all businesses in NSW – SME through to multinationals – and in doing so making NSW the best place to do business, by assisting businesses to maximise their potential.

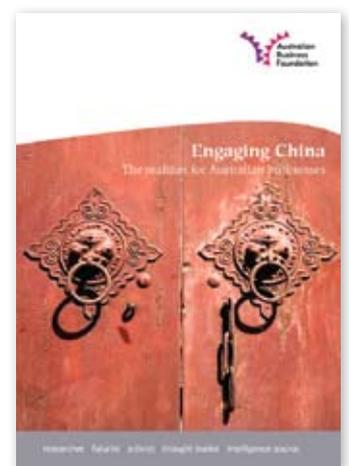
Landmark in Thought Leadership

Researcher, Activist, Futurist, Thought Leader, Intelligence Source

The Australian Business Foundation is an independent research think tank founded by the NSW Business Chamber in 1997 to research the key issues likely to impact on Australia's business competitiveness in the future.

In 2008/09, the Australian Business Foundation produced the following leading edge research studies:

- > *Inside the Innovation Matrix – finding the hidden human dimensions*, a collection of 14 expert papers written by 26 authors delving into the often overlooked human aspects of innovation.
- > *Global Connections: a study of multinational companies in Sydney*, a look at how well Sydney is embedded in the strategies of 85 multinational companies.
- > *Engaging China: the realities for Australian businesses*, a reality check on the actual experiences and insights of 25 Australian enterprises doing business with China.
- > *The Future Revisited: A review of Alternative Futures: Scenarios for Business in Australia to the year 2015*, a report on alternative scenarios for Australia's future and the big issues on the horizon to 2020.



Leading edge intelligence

Over the year, the Foundation hosted a high calibre events program featuring leading local and international experts. Keynote speeches were given by Professor David Gann from Imperial College, Nick Leon of Design London, IBM's Glenn Wightwick, business innovation expert Professor Graham Hubbard, global strategy guru Professor Michael Enright and Small Business Minister The Hon. Dr Craig Emerson.

Another highlight for the year was the appointment of NSW Chief Scientist and Engineer, Professor Mary O'Kane to lead the Foundation's Research Advisory Committee and the launch of the Foundation's Research Fellowships program with a partnership with the Aurora Foundation.

New collaborative research program

Looking ahead, the Australian Business Foundation is lifting the scale, intensity and impact of its research with a new collaborative research program. This is designed to strengthen the Foundation's place at the centre of a vibrant community involving Australian and international scholars, policymakers, opinion leaders and business executives.



Photography by Simon Griffiths from My China by Kylie Kwong, published by Lantern 2007. Reproduced with permission of Penguin Group (Australia).

Developing strategic advantage for members and customers here and overseas

Business Enterprise Services offers members and customers access to hands on support and advice which will assist them to grow their business opportunities domestically and internationally.

Our year has focused on the rationalisation and consolidation of services, retention and enhancement of core member services and the introduction of new business support offerings that blend organisational knowledge with experience residing within the team.

Core services provided include:

- > TradeStart Program.
- > International Growth consulting services.
- > Export Documentation services.
- > Marketing consulting services.
- > OH&S consulting services.
- > Business improvement services provided by Enterprise Connect and the Business Vitality™ consultant network.
- > Online business information products including Workplace OH&S, WorkplaceInfo, HR Advance, OHS Advance, Business Vitality Check and Business Vitality Express Check.

Cultivating business innovation

The development of strategic initiatives delivered by NSW Business Chamber is supported by the Business Innovation Centre, an area that facilitates organisation wide knowledge, research, ideas and concepts.

Highlights from last year included the development and facilitation of:

- > An in-depth, qualitative Landscape Research Study of 40 CEOs from the corporate business sector guiding the development of NSW Business Chamber policy (in particular NSW Reclaiming 1st), membership and Sydney brand.
- > Large and corporate membership package benefits enhancements.
- > An SME solution www.askushow.com.au that gives members a one stop solution for access to business information and advice 24/7.

Firm interest in online commercial products

The NSW Business Chamber sells its online commercial products throughout Australia as well as via a network of agents around Australia. Despite the economic environment, interest in all products was steady this year with marginal growth on last year's results. WorkplaceInfo continues to be our flagship business information product servicing over 3000 users.

WorkplaceInfo

WorkplaceInfo is a premier daily HR information tool servicing the needs of HR managers and directors nationwide. This year we saw an increase in the number of *Ask an Expert* email enquiries in the area of human resource management, reflecting the economic situation of businesses afflicted by the global financial crisis (GFC). At the height of the GFC, WorkplaceInfo provided advice and support on areas of redundancy and termination and flexible workforce planning. WorkplaceInfo is now also included as an automatic membership entitlement for Business Confidence membership.

WorkplaceOHS

NSW Business Chamber and the National Safety Council (NSCA) formed an alliance to generate reciprocal OH&S opportunities for the benefit of their respective membership bases. The NSCA has taken a white label version of WorkplaceOHS and actively promoted the product at the Annual National Safety Exhibition. Likewise, the Chamber has promoted the NSCA OHS training course schedule to its members and customers.

HR Advance

HR Advance, a joint initiative between NSW Business Chamber and Australian Business Lawyers, enjoyed a steady increase in market share with growth in sales by 11.5% up on 2008 results. HR Advance has been white labelled by five distributors (including four interstate chambers) with Northern Territory Chamber of Commerce achieving the 'Agent of the year' award.

Business Vitality™ Express Check **NEW!**

Following feedback from our members, a condensed version of Business Vitality Check was created to assist members with a detailed analysis of their business operation strengths and areas of improvement. Business Vitality Express Check was introduced as a membership entitlement in September 2008.

Ask Us How **NEW!**

The 2008 SME Landscape Study conducted by the Business Innovation Centre showed there was an opportunity for NSW Business Chamber to better connect its members to trusted business information and advice. Following a successful pilot, www.askushow.com.au was created to provide small to medium business owners with practical information to help them manage their business planning, marketing and sales, HR, IR and OH&S operations. The website is supported by Ask an Expert service where our in-house consultants answer questions online.





Australian Business International Trade

The International Trade unit serviced nearly 1000 businesses with Export Documentation services including Carnets, first time exporters using the TradeStart Program and complex market entry strategies into emerging markets such as China, India and Latin America via our International Growth Specialists.

Trade Documentation and Carnets suffered minimal impact throughout the GFC with steady documentation processed in both the city and North Sydney offices.

In partnership with Austrade, TradeStart Export Advisors met program targets and expanded into the mining sector with the appointment of a mining specialist.

International Growth Specialist consultants connected members and customers to international opportunities by participating in the Women Going Global program (an initiative of the Chamber and NSW Department of State and Regional Development), secretariat services to Austmine and the Australian Latin American Business Association and provision of detailed research and business matching services for market entry growth in Greater China, India and Chile.

Enterprise Connect

The Enterprise Connect Program (previously called the Australian Industry Productivity Centres, a funded initiative of the Department of Innovation, Industry Science and Research) assisted over 200 businesses that are exposed to international markets in the manufacturing and service sectors across NSW. Enterprise Connect advisors work with business owners to review their operations and recommend practical and tailored business advice and services to help them grow.

Australian Business Marketing Services (ABMS)

The GFC sparked an active interest by members for the start up marketing service (ABMS) to help them develop results-driven marketing strategies. Following a successful seminar schedule entitled *50 great marketing ideas on a shoestring budget*, ABMS reached 482 members and 113 non members across metro and regional NSW locations. There was a high take up of consulting services to members in regional NSW focusing on cost efficient marketing processes, development of revenue streams and optimal digital marketing on a low budget.

Navigating workplace, corporate and commercial law

Australian Business Lawyers acted for the majority of NSW Business Chamber members with workplace law issues in the last year as well as an increasing number of members needing astute corporate and commercial law advice.

In 2008/09 Australian Business Lawyers was again recognised as amongst the best in its field, ranking in the top 10 for Employment Law in the Asia-Pacific Legal 500 edition and as a finalist in the Australian Legal Business Law Awards – Employment Specialist Law Firm of the Year category.

In the past year, HR Advance, winner of the 2007 Lawtech Award for Innovation in Legal IT, has greatly increased its subscriber base. HR Advance is a unique online management library filled with customisable HR templates, tools, policies and information to ensure companies are compliant with the Fair Work Act. It has been embraced by a large number of NSW Business Chamber members, all of NSW Business Chamber's Sister Chambers around Australia, and by ADP, a NSW Business Chamber alliance partner. HR Advance is an innovative collaboration between Australian Business Lawyers and NSW Business Chamber and is the market leader in its field. HR Advance can be purchased on the Chamber's website.

Adapting services to member needs

As the Fair Work Act commences operation, Australian Business Lawyers has ensured its services have adapted to NSW Business Chamber member needs. In the upcoming year, we will be leading the NSW Business Chamber's education program for members, providing a comprehensive training program to enable members to become familiar with the modern awards that will bind their businesses. These training sessions are complemented by our Fair Work Act Handbook, our Handbook on Fair Dismissal and our representation of members in all areas of workplace law. These are available at www.ablawyers.com.au.

The firm's business law practice continues to attract large numbers of NSW Business Chamber members who appreciate the firm's practical approach to their corporate and commercial law issues.





Addressing the National Skills Shortage

Australian Business Limited Apprenticeships Centre – another successful year providing apprenticeships and traineeship services to clients.

As part of NSW Business Chamber, Australian Business Limited Apprenticeships Centre has a clear focus on addressing the skills needs of all businesses in NSW and the ACT.

In 2008/09 Australian Business Limited Apprenticeships Centre serviced over 20,000 unique companies across NSW and the ACT, up 5% from the previous year.

Over 25% of the trainees and apprentices registered by Australian Business Limited Apprenticeships Centre in 2008/09 were in the areas identified on the National Skills Shortage list.

We are also proud to have been involved in servicing key priority groups such as those with a disability. This year 336 people with a disability signed on to an apprenticeship or traineeship.

Ongoing Australian Government contract

This year the Australian Government extended its contract with Australian Business Limited Apprenticeships Centre until 30 September 2011. This has enabled us to maintain service levels and save business time by managing the sign-up process and paperwork for apprentices and trainees.

Sustainable business

Our commitment to sustainability has continued this year, with carbon offsets for our fleet of vehicles and organisational-wide recycling now part of the way we do business.

Australian Business Talent

NSW Business Chamber launched a new recruitment business this year focussing on apprenticeship and traineeship recruitment. The business fills a gap in the marketplace for entry level commercial services.

Australian Business Talent (AB Talent) along with Australian Business Limited Apprenticeships Centre continued to educate students on career options available to them through careers markets and the dedicated website www.skillsroad.com.au.

The recruitment arm continues to grow and add value to NSW Business Chamber members and the apprenticeship centre clients.

NSW Business Chamber Councillors as at 30 June 2009

Mr Ian Penfold <i>President</i>	Mr Roger Hood
Mr David Malloch <i>Deputy President</i>	Ms Karen Howard
Mr Ken Baker	Mr Stephen Joyce
Mr Chris Bayliss	Ms Donna Kildea
Mr Tom Bowers	Mr Erik Lucis
Mr Paul Brennan	Mr Kevin McCaffrey
Ms Ellie Brown	Ms Megan Motto
Ms Leigh Bryant	Mr Garry Pearce
Mr Grant Burtenshaw	Mr Ian Pedersen
Professor Trevor Cairney	Mr Peter Read
Ms Heather Cleverley	Ms Kristine Riethmiller
Mr Maris Derums	Ms Tina Reynolds
Mr Brett Derwin	Mr Andrew Robbins
Mr Les Dion	Mr Andrew Seaton
Mr Tony Dormer	Mr Craig Sloan
Mr Fraser Duff	Mr Wayne Streat
Mr David Edgerley	Mr Terence Wetherall
Dr John Fahey	Mr Greg Whiteley
Ms Julie Farquhar	Mr Kevin Wright
Ms Judith Field	
Mr Simon Harrop	

Honorary Life Governors

	Date elected
Mr Warren D Adcock OBE	February 1986
Mr Hugh A May	December 1987
Mr Patrick Donovan AM RFD ED	October 1992
Mr Arch J White	September 1985
Mr Terry Hunt	November 1999
Mr Brian E Smith	November 1999
Mr John T Cameron	November 1999
Mr Neville Sawyer AM	November 2005

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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 30 in the directors' report which are not part of this financial report.

The financial report was authorised for issue by the directors on 01 September 2009. 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 2009.

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	T H Cairney	J T Fahey	R L Hood
I B Penfold	D J Malloch	D Michaelis	T C Wetherall

K J MacDonald was a director from the beginning of the financial year until his resignation on 25 June 2009.

A F Dormer was appointed director on 25 September 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 16 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 (\$58,996,000) compared with an operating loss of (\$50,026,000) in the previous year. Net movement in market value of investments contributed (\$55,027,000) of the loss (\$54,514,000 of the loss 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: -

Directors	Board Meetings		Investment		Audit & Compliance		HR & Succession		Council	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
Penfold I B (President)	7	7	6	5	4	3	3	3	5	5
Malloch D (Deputy President)	7	6	*	*	4	4	*	*	5	5
Bayliss C J	7	7	*	*	4	4	3	3	5	4
Cairney, T H	7	6	6	6	4	4	*	*	5	5
Dormer A F	6	5	5	5	3	3	*	*	2	2
Fahey J T	7	6	6	5	*	*	3	3	5	4
Hood R L	7	6	*	*	*	*	3	3	5	5
MacDonald K J	7	7	6	4	4	2	3	3	5	5
Michaelis, D	7	7	6	6	4	3	*	*	5	4
Wetherall T C	7	7	6	6	*	*	*	*	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 55

President, NSW Business Chamber

Director, Australian Chamber of Commerce and Industry

President, Australian Chamber Alliance Pty Ltd

Deputy President, Sydney Chamber of Commerce

Director, Latrev Pty Ltd

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

Ex officio of all Committees

David J Malloch

FAICD

Age 55

Deputy President, NSW Business Chamber

Director, Sydney Chamber of Commerce

Director, Aston Pty Ltd

Director, Australian Business Foundation Limited

Director, Australian Association of Angel Investors

Director, Capital Angels Pty Ltd

CEO, VIA Research Pty Ltd

CEO, Malloch Digital Design Pty Ltd

Director, Intelledox Pty Ltd

Deputy Chair, Regional Development Australia - ACT

Member, Enterprise Connect

Member, Future Manufacturing Industry Innovation Council

Councillor, NSW Business Chamber since 1995

Special responsibilities

Member, Audit & Compliance Committee

Christopher J Bayliss

FAICD

Age 58

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, NSW Business Chamber since 2001
Councilor, Science Foundation Sydney University

Special responsibilities

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

Professor Trevor H Cairney

BA, M. Litt, PhD, GAICD

Age 57

Chairman, Sydney Chamber of Commerce (since 2001),
Director since 1997
Director, Southland College (since 2005)
Director, Australian Business Foundation Limited
Director, New College Village (since 2006)
Director, Morling College (since 2008)
Former Director, Greater West Development Fund Limited
(2005 - 2007)
Former Director Westec Pty Ltd (1997-2000)
Former Director, Centre for Advanced Computing and
Communication (2000-2002)
Former Chairman, CADRE Pty Ltd (1997-2002)
Councillor, NSW Business Chamber since 2007

Special responsibilities

Member, Investment Committee
Member, Audit & Compliance Committee

Anthony F Dormer,

CA

Age 63

Managing Director, Kreston Dormer Accountants
International Board Member, Kreston International
Chairman, Kreston Australia/New Zealand
Australian Resident Director and Advisor, Expense
Reduction Analysts Pty Ltd
Councillor, NSW Business Chamber since 2009

Special responsibilities

Chair, 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 52

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 65

Director, Sydney Chamber of Commerce
Principal, Organisation ChangeWorks
President, Australian Business Industrial
Former Personnel Director, Unifoods Pty Ltd
Former HR Director, Lever Rexona Division, Unilever
Australia Limited
Member, General Council, Australian Chamber of
Commerce and Industry
Member, Workplace Relations Policy Committee -
Australian Chamber of Commerce and Industry
Councillor, NSW Business Chamber since 2002

Special responsibilities

Chair, HR & Succession Committee

David Michaelis

FAICD, FCIS

Age 65

Vice President, NSW Business Chamber 1990 - 2001
Deputy President, NSW Business Chamber 2001 - 2002
President, NSW Business Chamber 2003 - 2005
Solicitor of the Supreme Court of England and Wales, & NSW
Chairman, ASSET Limited
Director & Vice President, Australian Chamber of
Commerce and Industry
Director, Sydney Chamber of Commerce
Director, Australian Business Limited Apprenticeships
Centre Pty Limited
Committee Member, Australian Council of
Superannuation Investors (ACSI)
Councillor, NSW Business Chamber 1988 - 2007

Special responsibilities

Chair, 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
Director, State Wide Crushing
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 below.

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	
	2009	2008
	\$000	\$000
(a) Assurance Services		
Audit Services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports and other audit work under the Corporations Act 2001	135	132
Total remuneration for audit services	135	132
Other assurance services		
PricewaterhouseCoopers Australian firm		
Audit of regulatory returns	4	6
AASB7	6	3
Audit of transition of investment custodian	-	(6)
Other accounting services	-	11
Total remuneration for other assurance services	10	14
Total remuneration for assurance services	145	146
(b) Taxation Services		
PricewaterhouseCoopers Australian firm		
Taxation compliance services including review of income tax returns for entities in the group.	13	15
Income tax status review	-	15
Total remuneration for taxation services	13	30

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 39.

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. 1 September 2009



I B Penfold
 President



A F Dormer
 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 2008/09 met on seven occasions. The Directors also participated in additional Corporate Governance and strategy meetings. The table contained in the Directors' Report at page 31 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 Chief Executive Officer, 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 eleven persons.

Currently there are nine Directors on the Board all of whom, including the President, are Independent Non-Executive Directors. The Chief Executive Officer is not currently a member of the Board.

Details of the Directors are set out on pages 31 to 32 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. The Board has the discretion to appoint two Directors, so 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 Council meeting following the next Annual General Meeting of members at which the Board of Directors is elected.

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 and a Councillor at the time of their election
- > 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, Past 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 31.

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 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 judgements;
- > 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, PricewaterhouseCoopers, 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 4 times during 2008/09. It is currently comprised of five independent Directors namely T Dormer (Chairman), C Bayliss, 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 2008/09. 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 times during 2008/09. It is currently comprised of three independent Directors, namely R L Hood (Chairman), C Bayliss and J Fahey.

Non-Executive Directors' Remuneration

Non-Executive remunerations 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 \$1,000,000 which was approved by members at the 2009 Extraordinary 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 NSW Business Chamber 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 2008/09 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, members, 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 2009, 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'.

Manoj Santiago

Partner

PricewaterhouseCoopers

Sydney

1 September 2009

NSW Business Chamber Limited and Controlled Entities
Income Statements for the year ended 30 June 2009

	Notes	Consolidated		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Revenue from continuing operations	4	50,693	54,697	28,922	33,778
Other income	5	(54,030)	(53,649)	(54,059)	(53,744)
Advertising and marketing expense		(1,519)	(1,674)	(423)	(796)
Building expense		(326)	(209)	(116)	(19)
Business establishment expense		(25)	(15)	(25)	(15)
Consultants		(3,904)	(3,008)	(3,465)	(2,580)
Depreciation and amortisation expense	6	(915)	(808)	(901)	(785)
Employee benefits expense		(30,711)	(29,242)	(20,388)	(19,259)
Fair value adjustment relating to investment property	6	(14)	(152)	-	-
Finance costs	6	(2,890)	(641)	(2,890)	(641)
Maintenance expense		(665)	(638)	(459)	(471)
Management fees - investments		(2,751)	(3,378)	(2,751)	(3,378)
Motor vehicle expense		(1,771)	(1,638)	(269)	(192)
Parking & tolls expense		(427)	(487)	(242)	(293)
Printing and stationery expense		(350)	(338)	(152)	(122)
Provision for non recovery of debt in controlled entities	6	-	-	(887)	1,356
Provision for non recovery of retentions from sale of building		-	76	-	76
Rent & occupancy costs		(2,663)	(2,514)	(1,589)	(1,381)
Sponsorship		(416)	(415)	(1,086)	(775)
Telecommunication expense		(934)	(1,166)	(302)	(516)
Travel expense		(1,022)	(1,139)	(631)	(771)
Other expenses from ordinary activities		(4,027)	(4,038)	1,825	(1,929)
Profit/(Loss) before income tax expense		(58,667)	(50,376)	(59,888)	(52,457)
Income tax benefit/(expense)	7	(329)	350	-	-
Profit/(Loss) from continuing operations		(58,996)	(50,026)	(59,888)	(52,457)
Profit/ (Loss) attributable to members of NSW Business Chamber Limited	21	(58,996)	(50,026)	(59,888)	(52,457)

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

	Notes	Consolidated		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Assets					
Current Assets					
Cash and cash equivalents	8	22,814	25,768	19,768	23,626
Trade and other receivables	9	6,811	7,272	2,499	3,398
Deferred tax asset	10	21	350	-	-
Other financial assets at fair value through profit or loss	11	265,038	320,256	265,038	320,256
Total Current Assets		294,684	353,646	287,306	347,280
Non-Current Assets					
Receivables	12	12,683	12,010	12,683	12,010
Investments accounted for using the equity method	13	-	-	-	-
Other financial assets	14	-	2,890	-	2,890
Property, plant and equipment	15	1,321	1,947	1,307	1,919
Investment properties	16	11	25	-	-
Intangible assets	17	2,367	243	2,367	243
Total Non-Current Assets		16,382	17,115	16,357	17,062
Total Assets		311,066	370,761	303,663	364,342
Liabilities					
Current Liabilities					
Trade and other payables	18	12,358	13,393	8,417	9,399
Provisions	19	902	693	841	693
Total Current Liabilities		13,260	14,086	9,258	10,092
Non-Current Liabilities					
Provisions	20	818	691	444	401
Total Non-Current Liabilities		818	691	444	401
Total Liabilities		14,078	14,777	9,702	10,493
Net Assets		296,988	355,984	293,961	353,849
Equity					
Retained Profits	21	296,988	355,984	293,961	353,849
Total Equity		296,988	355,984	293,961	353,849

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 2009

	Notes	Consolidated		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Total Equity at the beginning of the financial year		355,984	406,010	353,849	406,306
Profit/(Loss) for year		(58,996)	(50,026)	(59,888)	(52,457)
Total equity at the end of the year		296,988	355,984	293,961	353,849

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

	Notes	Consolidated		Parent Entity	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Cash Flows from operating activities					
Net withdrawal from/ (additions to) managed investments		18,357	10,491	18,357	10,491
Receipts from other income		31,850	29,106	9,931	8,572
Receipts from members		4,242	4,485	3,101	3,649
Property rentals received		992	1,148	89	74
Other interest received		1,361	2,704	1,217	2,518
		56,802	47,934	32,695	25,304
Payments to suppliers and employees		(57,442)	(54,042)	(33,797)	(34,625)
Net cash inflow/(outflow) from operating activities	28	(640)	(6,108)	(1,102)	(9,321)
Cash Flows from investing activities					
Payments for motor vehicles, office furniture and equipment		(189)	(648)	(189)	(650)
Proceeds from sale of plant and equipment		-	(4)	-	(4)
Payments for intangibles		(2,226)	(104)	(2,226)	(104)
Funding of subsidiaries		-	-	(442)	3,973
Funding of unrelated parties		100	100	100	100
Borrowings		-	(65)	-	(65)
Net cash inflow/(outflow) from investing activities		(2,315)	(721)	(2,757)	3,250
Net increase/(decrease) in cash held		(2,955)	(6,829)	(3,859)	(6,071)
Cash at the beginning of the financial year		25,768	32,597	23,626	29,697
Cash at the end of the financial year	8	22,814	25,768	19,768	23,626

The above statements of changes in equity 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, 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 2009 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 products' 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 24). 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.

(xviii) 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.

(xix) New accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 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 Operating Segments 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. AASB 8 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 will adopt AASB 8 from 1 July 2009. 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 (effective from 1 January 2009)

The revised AASB 123 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 (effective 1 January 2009)

The September 2007 revised AASB 101 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. If an entity has made a prior period adjustment or has reclassified items 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 will apply the revised standard from 1 July 2009.

(iv) Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy which is set out in note 1(xiii) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses, see note 1(xv) (a). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained. The Group will apply the revised standards prospectively to all business combinations and transactions

with non-controlling interests from 1 July 2009.

(v) AASB 2006-6 Further Amendment to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

(vi) AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements. The Group will apply the revised rules prospectively from 1 July 2009. After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment. Under the entity's current policy, these dividends are deducted from the cost of the investment. Furthermore, when a new intermediate parent entity is created in internal reorganisations it will measure its investment in subsidiaries at the carrying amounts of the net assets of the subsidiary rather than the subsidiary's fair value.

(vii) AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. It is not expected to have a material impact on the Group's financial statements.

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 \$264,918,000 (2008: \$320,256,000).

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

Financial Instruments Held	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Financial Assets				
Cash at bank and in hand	5,065	5,413	2,019	3,271
Deposits at call	104	99	104	99
Cash equivalents	17,645	20,256	17,645	20,256
Cash and cash equivalents	22,814	25,768	19,768	23,626
Trade receivables	2,314	3,156	1,855	2,667
Other receivables	3,209	2,978	349	472
Other receivables - loans receivable	12,683	12,010	12,683	12,010
Trade and other receivables	18,206	18,144	14,887	15,149
Financial assets at fair value through profit or loss	265,038	320,256	265,038	320,256
Other assets not classified as financial instruments	5,008	6,593	3,969	5,311
Total assets as per balance sheet	311,066	370,761	303,663	364,342
Financial Liabilities				
Trade payables	1,176	624	920	614
Other payables	1,501	4,023	481	2,227
Trade and other payable	2,677	4,647	1,401	2,841
Other liabilities not classified as financial instruments	11,401	10,130	8,300	7,652
Total liabilities as per balance sheet	14,078	14,777	9,702	10,493

(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.

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

Consolidated Group	Carrying Amount	Interest Rate Risk				Other Price Risk			
		-1%		+1%		-10%		+10%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
30 June 2009	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets									
Cash	5,169	(52)	(52)	52	52	-	-	-	-
Trade and other receivables	18,206	(9)	(9)	9	9	-	-	-	-
Cash equivalents	17,645	(176)	(176)	176	176	(940)	(940)	940	940
Financial assets at fair value through profit or loss	265,038	-	-	-	-	(26,611)	(26,611)	26,611	26,611
Financial Liabilities									
Trade and other payable	2,677	-	-	-	-	-	-	-	-
Total Increase/(Decrease)		(237)	(237)	237	237	(27,551)	(27,551)	27,551	27,551
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	(203)	(203)	203	203	(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	-	-	-	-	-	-	-	-
Total Increase/(Decrease)		(268)	(268)	268	268	(34,020)	(34,020)	34,020	34,020
Parent Entity 30 June 2009									
Financial Assets									
Cash	2,123	(21)	(21)	21	21	-	-	-	-
Trade and other receivables	14,887	(9)	(9)	9	9	-	-	-	-
Cash equivalents	17,645	(176)	(176)	176	176	(940)	(940)	940	940
Financial assets at fair value through profit or loss	265,038	-	-	-	-	(26,611)	(26,611)	26,611	26,611
Financial Liabilities									
Trade and other payable	1,401	-	-	-	-	-	-	-	-
Total Increase/(Decrease)		(207)	(207)	207	207	(27,551)	(27,551)	27,551	27,551

Parent Entity 30 June 2008	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
Financial Assets									
Cash	3,370	(34)	(34)	34	34	-	-	-	-
Trade and other receivables	15,149	(10)	(10)	10	10	-	-	-	-
Cash equivalents	20,256	(203)	(203)	203	203	(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	-	-	-	-	-	-	-	-
Total Increase/(Decrease)		(246)	(246)	246	246	(34,020)	(34,020)	34,020	34,020

(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	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Cash and cash equivalents				
A rated	22,814	25,768	19,768	23,626
	<u>22,814</u>	<u>25,768</u>	<u>19,768</u>	<u>23,626</u>
Trade receivables				
Counterparties without external credit rating	2,314	3,156	1,855	2,667
	<u>2,314</u>	<u>3,156</u>	<u>1,855</u>	<u>2,667</u>
Other receivables (note a)				
Current unsecured, without external credit rating	4,497	4,116	644	731
Non-current secured, without external credit rating (note b)	12,683	12,010	12,683	12,010
	<u>17,180</u>	<u>16,126</u>	<u>13,327</u>	<u>12,741</u>
Financial assets at fair value through profit or loss (note c)				
Listed Equities	37,724	31,322	37,724	31,322
Listed Property Trusts	803	619	803	619
Listed Unit Trusts	4,825	1,808	4,825	1,808
Outstanding Settles	83	289	83	289
Unlisted Managed Investment Schemes	221,603	286,218	221,603	286,218
	<u>265,038</u>	<u>320,256</u>	<u>265,038</u>	<u>320,256</u>

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 12.

(b) Contains a loan of \$11,783,000 (2008: \$11,010,000) to Australian Business Foundation Limited

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

(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	Less than 6 months	6 – 12 months	1 – 2 years	Total contractual cash flows	Carrying amount
As at 30 June, 2009	\$000	\$000	\$000	\$000	\$000
Non-interest bearing	2,528	55	94	2,677	2,677
Total	2,528	55	94	2,677	2,677
As at 30 June, 2008					
Non-interest bearing	4,423	20	204	4,647	4,647
Total	4,423	20	204	4,647	4,647
Parent					
As at 30 June, 2009					
Non-interest bearing	1,401	-	-	1,401	1,401
Total	1,401	-	-	1,401	1,401
As at 30 June, 2008					
Non-interest bearing	2,841	-	-	2,841	2,841
Total	2,841	-	-	2,841	2,841

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.

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).

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
4. Revenue				
Revenue from continuing operations				
Fee for service and other income	28,143	26,518	5,084	4,476
Employee assistance	-	-	3,303	3,104
Membership fees (note a)	4,188	4,014	3,138	3,196
	32,331	30,532	11,525	10,776
Other revenue				
Dividend income from managed investments	16,099	20,368	16,099	20,368
Interest income from managed investments	329	1,814	329	1,814
Interest income from other corporations	204	255	60	69
Interest income from other related parties	828	635	828	635
Royalties	-	49	-	49
Rents and sub-lease rentals	902	1,044	81	67
	18,362	24,165	17,397	23,002
Total revenue	50,693	54,697	28,922	33,778

(a) Members of Illawarra Business Chamber & Hunter Business Chamber and the Canberra Business Council are also members of NSW Business Chamber Limited. 2009 membership fees excludes \$1,431,567 (2008; \$1,338,810) of membership fees received by these organisations.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
5. Other Income				
Net gain on disposal of property, plant & equipment	-	4	-	4
Government Grants (note a)	997	861	968	766
Fair value gain on other financial assets at fair value through profit/(loss) (note 11)				
Movement in market value of investments				
- realised gain/(loss)	(29,402)	6,462	(29,402)	6,462
- unrealised gain/(loss)	(25,625)	(60,976)	(25,625)	(60,976)
	<u>(54,030)</u>	<u>(53,649)</u>	<u>(54,059)</u>	<u>(53,744)</u>

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 \$997,375 (2008: \$861,237) were recognised as other income by the Group during the financial year. A number of these grants extend into 2010 and will be acquitted in accordance with the terms of the grants. There are no unfulfilled conditions or contingencies relating to the 2009 year attached to these grants. The Group did not benefit from any other forms of government assistance.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
6. Expenses				
Profit before income tax includes the following specific expenses:				
Depreciation				
– plant and equipment	557	597	543	574
Total depreciation	557	597	543	574
Amortisation				
– Fair value adjustment relating to investment property	14	-	-	-
– Software development costs	358	211	358	211
Total amortisation	372	211	358	211
Finance costs				
– General interest and finance charges paid/payable	-	7	-	7
– Impairment of capitalised interest (refer note 14)	2,117	-	2,117	-
– Capitalised interest now expensed (refer note 14)	773	634	773	634
Finance costs expensed	2,890	641	2,890	641
Rental expense relating to operating leases				
– Minimum lease payments	4,318	4,206	1,274	1,174
Net loss on disposal of property, plant & equipment	2	-	2	-
Included in other expenses				
– Subscriptions to other organisations	77	466	48	458
– Computer license fees	664	390	657	389
– Legal fees	299	301	259	275
– Insurance expenses	184	200	141	169
Provision for non-recovery of debt in controlled entities				
– Movement in provision required to support subsidiaries due to change in net asset positions.	-	-	887	(1,356)

Consolidated		Parent Entity	
2009	2008	2009	2008
\$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	329	-	-	-
Deferred tax	-	(350)	-	-
	329	(350)	-	-

Income tax expense is attributable to

Profit from continuing operations	329	(350)	-	-
Profit from discontinued operations	-	-	-	-
	329	(350)	-	-

Deferred income tax revenue included in income tax expense comprises:

Increase/(decrease) in deferred tax assets (note 10)	(329)	350	-	-
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(b) Numerical reconciliation of income tax to prima facie tax payable

Profit from continuing operations before income tax expense	(58,667)	(50,376)	(59,888)	(52,457)
Tax at the Australian tax rate on 30% (2008 - 30%)	(17,600)	(15,113)	(17,966)	(15,737)
Tax effect of tax exempt income	17,700	16,248	17,966	15,737
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(77)	121	-	-
Previously unrecognised tax losses now recouped to reduce deferred tax expenses	-	(350)	-	-
Previously unrecognised tax losses now recouped to reduce current tax expenses	-	(1,256)	-	-
Tax effect of tax losses not recognised carried forward to future years	305	-	-	-
Income tax expense	328	(350)	-	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	10,659	10,354	-	-
Potential tax benefit @ 30%	3,198	3,106	-	-

All unused tax losses were incurred by Australian entities.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
8. Current Assets – Cash and Cash Equivalents				
Cash at bank and in hand	5,065	5,413	2,019	3,271
Deposits at call	104	99	104	99
Cash equivalents	17,645	20,256	17,645	20,256
	22,814	25,768	19,768	23,626

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	22,814	25,768	19,768	23,626
Balances as per Statement of Cash Flows	22,814	25,768	19,768	23,626

(b) Cash at bank and in-hand

The effective interest rate on short-term bank deposits was 2.68% (2008: 6.85%)

(c) Deposits on call

The deposits are bearing a floating interest rates between 2.99% and 7.79% (2008: 6.36% to 7.71%)

(d) Cash Equivalents

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

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
9. Current Assets – Trade and Other Receivables				
Trade receivables	2,390	3,265	1,887	2,706
Less Provision for impairment of receivables	(76)	(109)	(32)	(39)
	<u>2,314</u>	<u>3,156</u>	<u>1,855</u>	<u>2,667</u>
Investment income receivable	436	319	436	319
Unsettled investment sales	217	338	217	338
Loans to Unrelated Entities	100	100	100	100
Prepayments	1,288	1,138	295	259
Other receivables	2,473	2,238	2,143	1,817
Provision for non-recovery	(17)	(17)	(17)	(17)
	<u>4,497</u>	<u>4,116</u>	<u>3,174</u>	<u>2,816</u>
Amounts due from controlled entities	-	-	4,189	3,747
Provision for non-recovery	-	-	(6,719)	(5,832)
	<u>-</u>	<u>-</u>	<u>(2,530)</u>	<u>(2,085)</u>
	<u>6,811</u>	<u>7,272</u>	<u>2,499</u>	<u>3,398</u>

(a) Impaired trade receivables

As at June 2009, the Group and parent has no current trade receivables that are subject to individual impairment. The amount for the provision was \$76,000 (2008: \$109,000). 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 \$32,000 (2008: \$39,000)

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

At 1 July	109	149	39	79
Provision for impairment recognised during the year	3	-	-	-
Receivables written off during the year as uncollectible	(28)	(40)	(7)	(40)
Unused amount reversed	(8)	-	-	-
	<u>76</u>	<u>109</u>	<u>32</u>	<u>39</u>

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).

(d) Fair value

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

Consolidated		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

10. Current Assets – Deferred Tax Assets

The balance is attributable to:

Timing Difference	-	25	-	-
Tax losses to be recovered within 12 months	21	325	-	-
	21	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	173,362	210,629	173,362	210,629
Shares and Units in Unrelated Entities (incl. Equity & pool trusts)	34,531	34,398	34,531	34,398
Other Investments (incl. Corporate Bonds and Investment Trust)	57,145	75,229	57,145	75,229
	265,038	320,256	265,038	320,256

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.

Consolidated		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

12. Non-Current Assets – Receivables

Loans to unrelated entities	900	1,000	900	1,000
Loans to other related parties	11,783	11,010	11,783	11,010
	<u>12,683</u>	<u>12,010</u>	<u>12,683</u>	<u>12,010</u>

(a) Fair Values

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

	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$000	\$000	\$000	\$000
Loans to unrelated entities	900	900	1,000	1,000
Loans to other related parties	11,783	-	11,010	-
	<u>12,683</u>	<u>900</u>	<u>12,010</u>	<u>1,000</u>

The fair values are based on cash flows discounted using current lending rates of 4.6% (2008: 6.5%)

(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
	\$000	\$000	\$000
2009			
Trade receivables	-	2,314	2,314
Unrelated parties receivables	900	-	900
Other related parties receivables	-	11,783	11,783
Other receivables	-	4,497	4,497
	<u>900</u>	<u>18,594</u>	<u>19,494</u>
Weighted average interest rate	8.0%	-	
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
	<u>1,000</u>	<u>18,282</u>	<u>19,282</u>
Weighted average interest rate	8.8%	-	

(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.

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

Shares in associates (note 27)

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$	\$	\$	\$
	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 26)

Shares in Associates (note 27)

Less provision for diminution in value

Capitalised Interest

Less impairment of capitalised interest

Less amortisation of capitalised interest

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
	-	-	15,480	15,480
	-	-	-	-
	-	-	(15,480)	(15,480)
	2,890	3,524	2,890	3,524
	(2,117)	-	(2,117)	-
	(773)	(634)	(773)	(634)
	-	2,890	-	2,890

These financial assets are carried at cost.

15. Non-Current Assets – Property, Plant and Equipment

	Furniture, Fittings and Equipment \$000	Leasehold Improvements \$000	Total \$000
Consolidated			
At 1 July 2007			
Cost or fair value	7,715	4,929	12,644
Accumulated depreciation	(7,202)	(3,545)	(10,747)
Net book amount	513	1,384	1,897
Year ended 30 June 2008			
Opening net book amount	513	1,384	1,897
Additions	325	322	647
Disposals	-	-	-
Depreciation charge	(229)	(368)	(597)
Closing net book amount	609	1,338	1,947
At 30 June 2008			
Cost or fair value	8,040	5,251	13,291
Accumulated depreciation	(7,431)	(3,913)	(11,344)
Net book amount	609	1,338	1,947
Year ended 30 June 2009			
Opening net book amount	609	1,338	1,947
Additions	8	182	190
Retirements – Cost	(1,736)	(143)	(1,879)
Retirements – Accumulated depreciation	1,735	143	1,878
Transfers – Cost	(229)	2	(227)
Transfers – Accumulated depreciation	(29)	(2)	(31)
Disposals	-	-	-
Depreciation charge	(164)	(393)	(557)
Closing net book amount	194	1,127	1,321
At 30 June 2009			
Cost or fair value	6,083	5,292	11,375
Accumulated depreciation	(5,889)	(4,165)	(10,054)
Net book amount	194	1,127	1,321

15. Non-Current Assets – Property, Plant and Equipment (continued)

	Furniture, Fittings and Equipment \$000	Leasehold Improvements \$000	Total \$000
Parent Entity			
At 1 July 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
Disposals	-	-	-
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
Year ended 30 June 2009			
Opening net book amount	581	1,338	1,919
Additions	8	182	190
Retirements - Cost	(1,736)	(143)	(1,879)
Retirements - Accumulated depreciation	1,735	143	1,878
Transfers - Cost	(229)	2	(227)
Transfers - Accumulated depreciation	(29)	(2)	(31)
Disposals	-	-	-
Depreciation charge	(150)	(393)	(543)
Closing net book amount	180	1,127	1,307
At 30 June 2009			
Cost or fair value	5,319	5,292	10,611
Accumulated depreciation	(5,139)	(4,165)	(9,304)
Net book amount	180	1,127	1,307

Consolidated		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

16. Non-Current Assets – Investment Properties

At Fair value

Opening balance at 1 July	25	146	-	-
Capitalisation of Subsequent Expenditure	-	31	-	-
Net gain (loss) from fair value adjustment	(14)	(152)	-	-
Closing balance at 30 June	11	25	-	-

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

Rental Income	480	511	-	-
Direct operating expenses from property that generated rental income	(387)	(378)	-	-
	93	133	-	-

(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 24 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 as receivables as follows:

Within one year	453	311	-	-
Later than one year but not later than five years	-	280	-	-
	453	591	-	-

	Software Development Costs \$000	Total \$000
17. Non-Current Assets – Intangible Assets		
Consolidated		
At 1 July 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
Year ended 30 June 2009		
Opening net book amount	243	243
Additions	2,226	2,226
Retirements - Cost	(1,154)	(1,154)
Retirements - Accumulated amortisation	1,154	1,154
Transfers - Cost	256	256
Amortisation charge	(358)	(358)
Closing net book amount	2,367	2,367
At 30 June 2009		
Cost	7,164	7,164
Accumulated amortisation and impairment	(4,797)	(4,797)
Net book amount	2,367	2,367
Parent Entity		
At 1 July 2007		
Cost	5,732	5,732
Accumulated amortisation and impairment	(5,383)	(5,383)
Net book amount	349	349

17. Non-Current Assets – Intangible Assets (continued)

	Software Development Costs \$000	Total \$000
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
Year ended 30 June 2009		
Opening net book amount	243	243
Additions	2,226	2,226
Retirements – Cost	(1,154)	(1,154)
Retirements – Accumulated amortisation	1,154	1,154
Transfers – Cost	256	256
Amortisation charge	(358)	(358)
Closing net book amount	2,367	2,367
At 30 June 2009		
Cost	7,164	7,164
Accumulated amortisation and impairment	(4,797)	(4,797)
Net book amount	2,367	2,367

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
18. Current Liabilities – Trade and Other Payables				
Trade payables	1,176	624	920	614
Unsettled investment transactions	315	368	315	368
Grants unearned	1,513	1,278	1,513	1,278
Other payables	4,542	6,373	2,846	3,953
Deferred income	262	143	53	97
Membership fees and other income in advance	3,281	3,613	2,770	3,089
Refundable carnet premiums	1,269	994	-	-
	12,358	13,393	8,417	9,399

(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	262	228	168	155
	262	228	168	155

(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.

19. Current Liabilities – Provisions

Employee benefits – long service leave	902	693	841	693
	902	693	841	693

(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	371	266	317	266
	371	266	317	266

Consolidated		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

20. Non-Current Liabilities – Provisions

Employee benefits – long service leave	818	691	444	401
	818	691	444	401

21. Reserves And Retained Profits

(a) Retained profits

Movements in retained profits are as follows:

Balance 1 July	355,984	406,010	353,849	406,306
Net profit/(loss) for the year	(58,996)	(50,026)	(59,888)	(52,457)
Balance 30 June	296,988	355,984	293,961	353,849

(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.

22. Key Management Personnel Disclosures

(a) Directors

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

(i) President – non-executive

I B Penfold

(ii) Deputy President – non-executive

D J Malloch

(iii) Non-executive directors

C J Bayliss

R L Hood

T H Cairney

D Michaelis

T C Wetherall

J T Fahey

T F Dormer – appointed 25 September 2008

(iv) Managing director

K MacDonald – resigned 25 June 2009

(b) Other key management personnel

Name

Position

K J MacDonald

Managing Director/ Chief Executive Officer (resigned 25 June 2009)

S Cartwright	Chief Executive Officer (appointed 1 July 2009)
S P Spicer	Chief Operating Officer/ Finance Director
P H Orton	Membership & Policy Director
D J Cocks	General Manager - Skills & People Business
P Martin	General Manager - Business Innovation Services
G Pattison	General Manager - Workplace Solutions
C Gibbs Stewart	General Manager - International Trade (resigned 5 June 2009)
S A O'Brien	General Manager - Membership Services (appointed 8 September 2008)
H Bermingham	Human Resources Director (resigned 25 May 2009)
P Forsythe	Executive Director - Sydney Chamber of Commerce
A Berzins	Company Secretary/ Treasury Manager

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Short term employee benefits (Note a)	3,015	2,813	2,227	2,126
Termination Benefits	304	-	120	-
	<u>3,319</u>	<u>2,813</u>	<u>2,347</u>	<u>2,126</u>

The other key management personnel whose remuneration from entities in the consolidated group was within the specified bands are as follows:

	\$000			
200 to 210	-	2	-	2
210 to 220	1	1	1	1
220 to 230	3	-	3	-
230 to 240	-	1	-	1
240 to 250	-	1	-	1
260 to 270	-	2	-	-
280 to 290	1	-	-	-
290 to 300	2	-	2	-
300 to 310	1	-	-	-
310 to 320	-	2	-	1
360 to 370 *	1	-	1	-
370 to 380 *	1	-	-	-
510 to 520	1	-	1	-
540 to 550	-	1	-	1

* Includes termination payments and statutory entitlements paid to resigned staff

(a) Short term employee benefits

Short term employee benefits includes taxable income including performance payments, superannuation guarantee payments and the grossed up value of any salary packaging arrangements.

Consolidated		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

23. 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 Corporations Act 2001

135	132	79	75
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Total remuneration for audit services

135	132	79	75
-----	-----	----	----

Other assurance services

PricewaterhouseCoopers Australian firm

Audit of regulatory returns

4	6	4	6
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AASB7

6	3	6	3
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Audit of transition of investment custodian

-	(6)	-	(6)
---	-----	---	-----

Other accounting services

-	11	-	11
---	----	---	----

Total remuneration for other assurance services

10	14	10	14
----	----	----	----

Total remuneration for assurance services

145	146	89	89
-----	-----	----	----

(b) Taxation Services

PricewaterhouseCoopers Australian firm

Taxation compliance services including review of income tax returns for entities in the group

13	15	-	-
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Income tax status review

-	15	-	15
---	----	---	----

Total remuneration for taxation services

13	30	-	15
----	----	---	----

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	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

24. 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	-	76
	-	76	-	76

(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

	3,961	4,227	1,923	1,049
	11,044	9,684	3,081	1,801
	3,497	8,340	847	1,641
	18,502	22,251	5,851	4,491

Representing:

Non-cancellable operating leases

Future finance charges on finance leases

	18,502	22,251	5,851	4,491
	-	-	-	-
	18,502	22,251	5,851	4,491

(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

	3,961	4,227	1,923	1,049
	11,044	9,684	3,081	1,801
	3,497	8,340	847	1,641
	18,502	22,251	5,851	4,491

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

	866	615	-	-
--	-----	-----	---	---

(c) Repairs and maintenance: Investment properties

Contractual obligations for future repairs and maintenance – not recognised as a liability

	51	-	-	-
--	----	---	---	---

(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

	13,739	18,137	13,739	18,137
	13,739	18,137	13,739	18,137

Consolidated		Parent Entity	
2009	2008	2009	2008
\$000	\$000	\$000	\$000

25. 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 26.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 22.

(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	-	-	5,177	1,527
Sale of human resource and support services to other related parties	198	191	198	191

Other transactions:

Remuneration paid to directors of the ultimate Australian parent entity	542	581	542	581
Sponsorship of subsidiaries activities	-	-	670	775

(e) Loans to/from related parties

Loans to subsidiaries

Beginning of the year	-	-	3,748	7,720
Loans advanced	-	-	5,611	1,872
Loan repayments received	-	-	(5,170)	(5,844)
Interest charged	-	-	-	-
Interest received	-	-	-	-
End of year	-	-	4,189	3,748

Loans to other related parties

Beginning of the year	13,900	13,900	13,900	13,900
Loans advanced	-	-	-	-
Loan repayments received	-	-	-	-
Interest charged	773	634	773	634
Interest received	(773)	(634)	(773)	(634)
End of year	13,900	13,900	13,900	13,900

26. 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:

	Country of Incorporation	Activity	Equity Holding	
			2009	2008
			%	%
Parent Entity				
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.

Consolidated		Parent Entity	
2009	2008	2009	2008
\$	\$	\$	\$

27. Investments in Associates

(a) Carrying amounts

Information relating to associates is set out below.

Name of company	Principal activity	Ownership interests					
		2009	2008				
		%	%				
Unlisted							
Australian Chambers Alliance	Professional Services	14	14	10	10	10	10
				10	10	10	10

The above associate is incorporated in Australia

(b) Movement in carrying amounts

Carrying amount at the beginning of the financial year	10	10	10	10
Investment in Associate	-	-	-	-
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	-	-
Income tax expense	-	-
Profit (Loss) after income tax	-	-

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.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
28. Reconciliation of Operating Profit/Loss After Income Tax to Net Cash Inflows from Operating Activities				
Operating profit/(loss) after income tax	(58,996)	(50,026)	(59,888)	(52,457)
Depreciation and amortisation	915	808	901	784
Fair value adjustment to investment property	14	121	-	-
Loss/(Profit) on sale of plant and equipment	2	4	2	4
Deferred tax asset	329	(350)	-	-
Provision for non recovery of debt in controlled entity	-	-	887	(1,356)
Decrease/(increase) in trade debtors	875	387	819	391
Decrease/(increase) in other receivables	(382)	681	(358)	876
Decrease/(increase) in investments net of transfers	55,218	42,906	55,218	42,906
Increase/(decrease) in creditors	(1,035)	(672)	(982)	(371)
Increase/(decrease) in other provisions	336	73	190	(58)
Impairment of ABF Loan	2,117	-	2,117	-
Provision for doubtful debts	(33)	(40)	(7)	(40)
Net cash inflow/(outflow) from operating activities	(640)	(6,108)	(1,102)	(9,321)

29. Contingencies

(a) Contingent liability

The Group had a contingent liability at 30 June 2009 in respect of potential redundancies payable upon the non-renewal of the apprenticeship placement contract held by its subsidiary Australian Business Limited Apprenticeships Centre Pty Ltd with the Commonwealth Government of Australia. The Group has a stated policy, confirmed in agreements with individual employees, which entitles these employees to redundancy payments in the event that the contract is not renewed or otherwise terminated.

Should the contract have been terminated at 30 June 2009, the total redundancy amount payable would have been \$2.56M.

The obligation for the payment of redundancies will only arise in the event that:

- (i) the contract is not renewed; and
- (ii) existing staff are unable to find employment with one of the successful contractors; and
- (iii) the Group is not able to provide the remaining employees with suitable alternative employment.

The existing contract has a term until September 2011, at which time the Group intends to retender for a contract. The Group has been successful on a number of occasions with past tenders. It is not practical to estimate the potential effect of this contingency at September 2011 in the event that the contract is not renewed or a new contract awarded, as it can not be determined how many current employees will remain in employment at that time.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 40 to 79 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 2009 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.

01 September 2009



I B Penfold
President



A F Dormer
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 Limited (the company), which comprises the balance sheet as at 30 June 2009, 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 Limited 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.

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



Independent Auditor's Report to the Members of NSW Business Chamber Limited (continued)

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 2009 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.

PricewaterhouseCoopers

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

Manoj Santiago
Partner

Sydney
1 September 2009



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The services detailed within this brochure may be supplied by NSW Business Chamber, one of its related companies, or in association with pre-selected companies and service providers. The information contained in this brochure is current as of September 2009. Prices, benefits and services are subject to change at any time without notice. Please check with NSW Business Chamber Ltd for full and current details.

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