



Australian Banking  
Association



Australian Banking  
Association Limited  
**Annual Report**

2021

# Table of Contents

2021 By The Numbers .....	3
ABA Members .....	4
Associate Members .....	5
Chair's Report .....	6
Deputy Chair's Report .....	7
CEO's Report .....	9
Our Mission .....	10
Our Priorities .....	11
Helping Customers During COVID-19 .....	12
Bouncing Back - I Love Butter .....	13
Grow Australia's Economy .....	14
Every Customer Counts .....	16
Customer assistance for those facing Domestic Violence .....	17
Imagining the Future .....	18
A changing banking landscape .....	19
Earning Back Your Trust .....	20
Directors' Report .....	21
Auditor's independence declaration .....	30
Financial Report 2021 .....	31
Statement of Comprehensive Income .....	32
Statement of Financial Position .....	33
Statement of Changes in Equity .....	34
Statement of Cash Flows .....	35
Notes to and Forming Part of the Annual Report .....	36
Directors' Declaration .....	46
Independent Auditor's Report .....	47



## 2021 By the Numbers



# ABA Members



# Associate Members



Allens > Linklaters



MinterEllison



# Chair's Report



The past two years have been challenging for many Australians, testing the resilience and spirit of our communities, the banking industry and the country as a whole like few times before. As we emerge from these challenges, there is every reason to be optimistic about the road ahead. The stimulus provided by governments has done its job. Australians also have responded positively in recent months to the latest health and economic issues facing us, helped by the financial and wellbeing support provided by banks to their millions of retail and business customers. As lockdowns come to an end, there is a clear sense that the country is ready to take advantage of opportunities ahead.

During these difficult times, the Australian Banking Association has continued to play an important role in supporting customers, businesses and communities throughout the pandemic. By coordinating with member banks, governments, regulators and other stakeholders, the ABA has helped to ensure the strength and stability of Australia's banking system and give peace of mind to banking customers. On behalf of the ABA, I want to thank our team members who have served bank customers tirelessly throughout the pandemic. In branches and in call centres, from corporate offices and from their homes, our people have ensured the provision of safe banking services for all in difficult circumstances, and I thank them for their dedication and commitment.

Despite the challenges we have all faced, banks will continue to support the Australian economy, and we look forward to contributing to a strong recovery in the months and years ahead. December 2021 marks the end of my term as ABA Chairman. I'd like to thank Anna Bligh, the ABA, and all banks that have worked together over the past two years to coordinate a range of measures to support Australians through the pandemic. It's been a challenging but productive two years and I have no doubt that the important work of the ABA will continue.

Matt Comyn

Matt Comyn

# Deputy Chair's Report



Being regionally based, I have seen first-hand the strong performance and continued resilience of regional communities as we navigate yet another year of profound change.

Increasingly, more and more Australians are also recognising that regional Australia is a great place to start a family, build a career and open a business. The Australian banking industry plays a key role in partnering with Australians as they embrace these important milestones.

As with last year, hardship has continued to challenge many communities around the country. As an industry, we have worked with government and regulators to support customers through their individual circumstances, while also positioning ourselves for the part we will play in Australia's economic recovery. We remain optimistic about the possibilities before us. As an industry, we continue to invest in key expertise and technology that will see customers continue to receive world-class banking experiences.

While COVID-19 has undoubtedly created a difficult period, it has also reinforced the important and positive role banks play in the community. As Australia begins to reopen, the ABA and the banking industry are poised to draw on our collective experience to build prosperity in partnership with our customers.

A handwritten signature in black ink that reads "M Baker". The signature is fluid and cursive.

Marnie Baker





# CEO's Report



2021 has been difficult for many Australians, many of whom faced some of the toughest times in recent history.

It's been tough on individuals, families and businesses large and small.

Just when we hoped to turn a new COVID-free page and enter 2021, the Delta variant showed us otherwise.

However, just as we saw after the 2020 lockdowns, Australians are bouncing back quickly and we are seeing history repeat.

Facing a global crisis, it has been heartening to see individuals, businesses and corporate Australia come together to work with governments to support each other and ensure Australia comes through the pandemic even stronger.

Australian banks once again made the decision to support customers by deferring mortgages for customers and businesses and a range of other hardship assistance measures.

More than 65,000 individuals and businesses received hardship assistance in 2021, and while these figures were far lower than the overwhelming demand for assistance in 2020, banks continued to put customers first and provide help where they could.

The pandemic has also accelerated changes in the way Australians do their banking.

We continued to witness the demise of cash and cheques and the use of debit cards soar. Meanwhile, more than 80 per cent of Australians say they prefer to check account balances, pay bills, or transfer money online.

COVID-19 has presented our economy and the banking industry with many challenges, but the ABA will continue to learn, adapt and move quickly to meet the changing expectations of customers, ensuring their needs always remain at the forefront of banking services.

Here's to a better year for all in 2022.

A handwritten signature in blue ink that reads "Anna Bligh". The signature is fluid and cursive, with a long, sweeping underline.

Anna Bligh

# Our Mission

**We support our member banks to lead a strong, stable and trusted banking system, to grow the Australian economy and build the financial well-being of all Australians.**



# Our Priorities

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers. We promote and encourage policies that improve banking services for all Australians, through advocacy, research,

policy expertise and thought leadership.

This year, support has continued for customers affected by the pandemic. Ongoing lockdowns have meant assisting customers and the economy have remained a priority for Australia's Banks and the ABA.



**Earning**  
Back Your Trust



**Every**  
Customer Counts



**COVID-19**  
and Supporting  
the Recovery



**Grow**  
the Economy



**Imagine**  
the Future

# Helping Customers During COVID-19

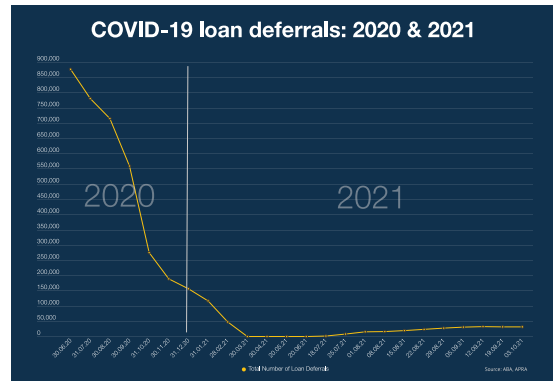
The response to COVID-19 has been the ABA's highest priority this year.

In addition to loan deferrals, significant measures have been taken in collaboration with regulators to help millions of Australians navigate the crisis.



## Loan Deferrals

- More than a million home and business loans have been deferred since the pandemic began in March 2020 and support for customers continued through pandemic lockdowns across Australia in 2021.



## Financial Difficulty

- A further national support package for small businesses and home loan customers.
- A dedicated Financial Assistance Hub, detailing what customers can expect as they navigate financial stress and the steps they can take, with their bank, to get back on their feet.



## Banking as an Essential Service

- Keeping banks open during ongoing restrictions and lockdowns.



## Helping Isolated and Vulnerable Customers

- Access to financial counsellors.
- Highlighting scams and e-safety.



## Digital Economy

- The ABA championed a common, consistent approach to digital document execution across Australia making permanent many of the temporary laws that were introduced during COVID.



## Working with Regulators

- ABA worked with ACCC, ASIC, APRA, Treasury, the RBA and all State Governments to help customers through the pandemic.



## Data Collection

- Real-time updates to government on deferrals, new lending & SME loan guarantee schemes.

# Bouncing Back - I Love Butter

*“As a single mother, with a small business, this support gave me so much peace of mind and even inspiration during a time of genuine fear and uncertainty.”*

Sophia Ly is a single mother who successfully used a loan from the bank to turn her quiet COVID-suffering business into a booming online success story.

The first-time small business owner had built her first ever café, Nosh+ on Sydney's lower north shore. It was a thriving business with many loyal customers. That was, until COVID-19 hit, sending her sales and family income crashing down.

“COVID came. It hit me really hard. Nosh+ became silent. The sales dropped dramatically in three weeks,” Sophia said. Once customers stopped coming to Nosh+ for its delicious bakery treats, Sophia came up with an idea to get her baked goods to them: a delivery-only side business called ‘I Love Butter’.

With the help of a loan, I Love Butter became a business that delivers uncooked baked goods to homes across Sydney, so customers could cook them in their own ovens.

“We needed a fair bit of money to upgrade our kitchen to meet the local demands... through COVID, the banks were encouraging people to borrow their money. And I was like, hey, if you're going to be here for me I might as well jump on board. It was a five day process before I got a phone call to say I got approved. I was like, yay!”

Sophia said within four weeks they were up and running, with a full commercial kitchen, taking orders online and delivering across the city.

“It was a good feeling. If anything at all, it empowers you,” she said.

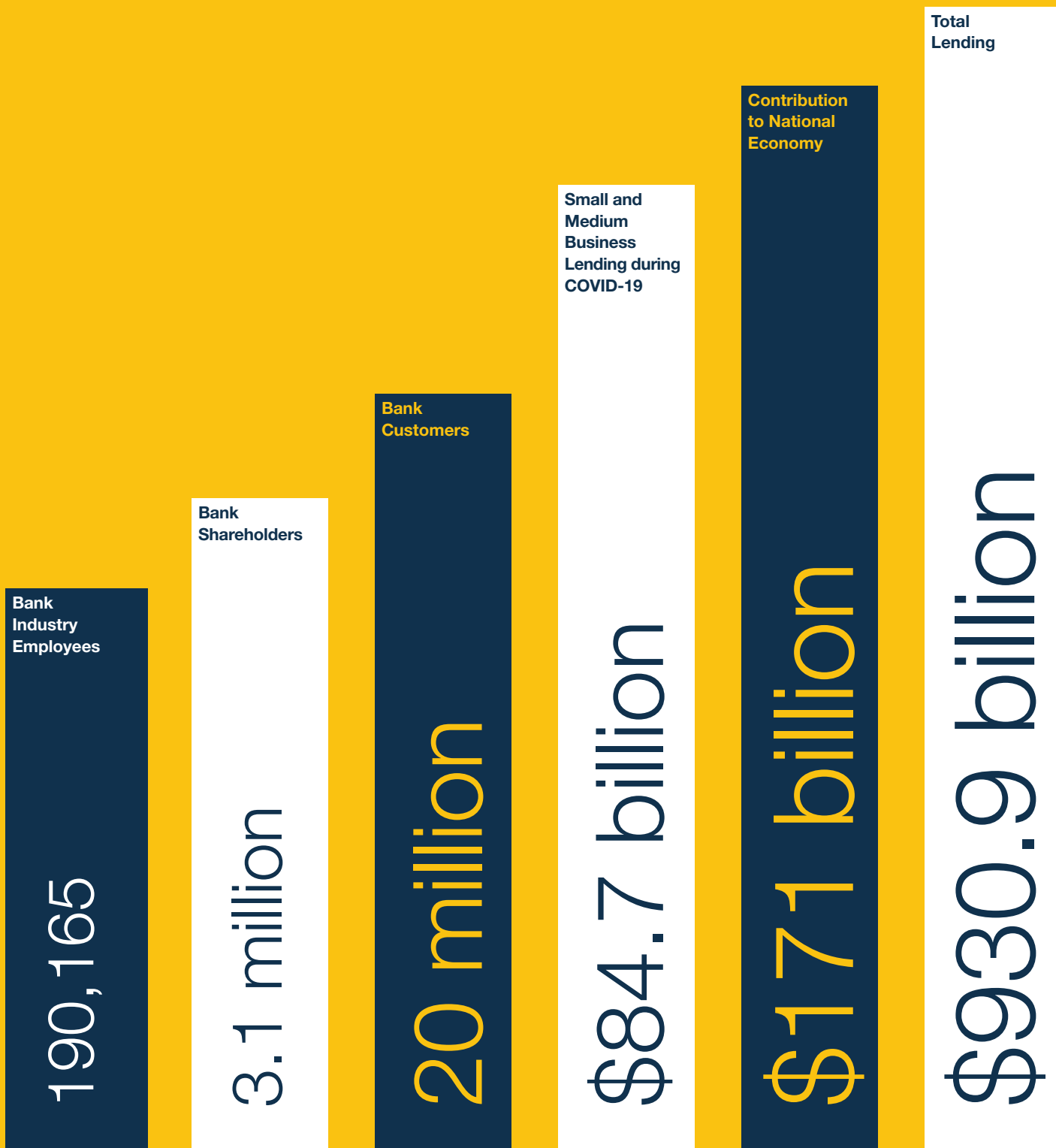
“If the banks weren't as responsive and efficient as they were I would never have been able to set up a new part of the business.”

“As a single mother, with a small business, this support gave me so much peace of mind and even inspiration during a time of genuine fear and uncertainty.”



Scan to learn more about Sophia's story

# Grow Australia's Economy



Sources: ABS Lending Indicators, RBA Bank lending by sector, ABS National Accounts, ABA member banks' annual reports



8oz 12oz 16oz  
2.00  
3.00  
3.25 3.25 3.50  
3.25 3.50 4.00  
2.50 3.50 4.50  
SWEET CHOCOLATE  
8oz 12oz 16oz  
2.50 3.50 4.50  
BEVERAGE  
ORANGE  
LEMON  
TEA  
2.00  
2.00  
3.25  
PASTRIES  
3.00  
1.75  
BREAD  
Pancake  
Baked Salmon

# Every Customer Counts



## Natural Disasters

The ABA developed a new protocol to improve the industry's response to bushfire and other disasters. The guidelines will ensure Australians receive clear and immediate information on banking services during natural disasters.



## Preventing Elder Financial Abuse

The ABA continued its campaign advocating for nationally consistent laws on elder abuse and a national register for power of attorney instruments. The Meeting of Attorneys-General named the issue a key priority for 2021.



## Helping Customers in Need

As the nation recovers from COVID-19, the ABA has launched an industry-wide digital tool that ensures customers in financial difficulty have step-by-step advice to help them get back on their feet.



## ATMs in Remote Communities

Banks updated and enhanced their program supporting fee-free ATMs in remote parts of Australia. The program continues to provide fee-free cash withdrawals and balance inquiries in remote communities where access to banking services would otherwise be limited.



## Combatting Family and Domestic Violence

The ABA updated its Preventing and Responding to Family and Domestic Violence Guideline which raises awareness of the actions and promotes consistent arrangements across the banking industry to support customers affected by family violence. In updating this guidance, the ABA consulted broadly across consumer organisations, regulators, and the Australian Financial Complaints Authority.





# Customer assistance for those facing Domestic Violence

The Australian banking sector continues to assist customers affected by family and domestic violence.

Banks have a relationship with almost every single person in Australia and are uniquely placed to support people affected by family and domestic violence. The banking sector takes its role in supporting customers impacted by abuse extremely seriously and ABA members are united in their resolve to take action.

To reflect the commitments banks are making, the ABA has recently updated its Preventing and Responding to Family and Domestic Violence Guideline.

In summary, banks can:

- provide protections for co-borrowers and guarantors before they enter an arrangement.
- improve safety by keeping a customer's information private and providing a 'quick exit' button on bank webpages.
- make it easier for customers to open new (and private) accounts using alternative identification documents when gaining access to their documents is not possible.
- take action against customers abusing others through online transaction descriptions.
- help customers to protect themselves using account settings and alternatives such as two to sign, secondary credit card holders, and children's accounts.
- remind customers about their account settings such as authorisations required for drawdowns and withdrawals.
- train staff to recognise the warning signs of abuse and refer customers to specialist support services.
- help customers regain control of their finances.



# Imagining the Future



## Payments System Review

Ensuring the system remains fit for purpose and can support continued innovation is critical for the economy, business, and customers. The ABA has engaged with the payment system reviews undertaken by Treasury and the RBA.



## Open Banking

The rollout of Open Banking through the Consumer Data Right stepped up in 2021, with mid-tier banks now sharing data.



## Electronic Signatures and Mortgages

Working with governments to modernise banking services, the ABA secured important changes to allow the use of electronic signatures and mortgages. Some states have now made this reform permanent.



## Tackling Modern Slavery

Identifying risks in the banking industry's supply chain is a key priority. The ABA has organised a working group of experts on financial crime, procurement and corporate social responsibility to create an industry standard of red flags to identify victims and perpetrators of modern slavery.



## Climate Risk

Australia's banks are funding and delivering an array of initiatives to assist their customers and the economy to transition to a low carbon future. The ABA and its members have been working with APRA on how to assess and manage climate financial risk, and we are working with our members on identifying areas of appropriate industry alignment.

# A changing banking landscape



The banking landscape continues to evolve across Australia. Cash is no longer king, the use of debit cards has continued to sharply increase and customers have continued the shift to banking online.

New data analysed by the ABA showed more than 80 per cent of Australians say they prefer to check account balances, pay bills, or transfer money online.

In addition, less than 20 per cent of Australians say they prefer to do any banking activities in branches.

While data proved debit card usage had been increasing over the last decade, it was also accelerated as a result of the pandemic.

Debit cards continue to be the number one choice when Australians pay for something in person or online, which means the majority of customers are paying with savings instead of credit.

This trend has not always been the case.

In 2006, Australians used credit and debit cards equally. Twelve years later in 2018, Australians used debit cards at almost double the rate of credit cards and just three years later, it's almost triple.

The increase in the use of debit cards is matched by the decrease in cash withdrawals.

The use of cash declined a further ten per cent on the previous year, which was accelerated by the increasing shift toward technology-based payments in addition to stores encouraging customers to pay via card or digital payments during the pandemic.

The data also showed the continual decline of cheques, which reduced by almost 40 per cent in 2020 and equated for less than 0.3 per cent of all payment transactions for the year.

## Australians preferred way to conduct banking activity

Checking the balance of your account	10%	88%
Transferring money	10%	88%
Paying a bill	8%	87%
Updating your personal details	16%	79%
Setting up automatic payments	12%	76%

Source: RFI Group

## Face-to-face in a branch

10%
10%
8%
16%
12%

## Mobile banking app, internet banking or call centre

88%
88%
87%
79%
76%

## Australians fast adaptors to new technology

Australians who use mobile wallets

37%

RFI Group

Of this, Australians who use mobile wallets at least weekly

71%

RFI Group

# Earning Back Your Trust



## Royal Commission

2021 saw strong progress on the Royal Commission's recommendations, including changes that will improve services and strengthen protections for bank customers:

- New anti-hawking laws
- Updated breach reporting requirements
- Changes to add-on insurance rules
- Faster complaint resolution
- Design and distribution obligations



## Small Business Definition Review

After an independent review the ABA agreed to update its definition of small business. The change will mean an extra 10,000 businesses will be protected by the Banking Code of Practice.



## Design and Distribution Obligations

New measures to ensure customers receive the right services commenced in October 2021. ABA has been assisting members to prepare for the changes.



## Scam Awareness

The ABA has worked with law enforcement and IDCARE, proposing actions that represent a more holistic, whole of economy response to scams. The ABA also launched a consumer education campaign with some tips on how customers can protect themselves.



## Complaint and Dispute Resolution

Australian banks have agreed to share best practice in complaint resolution in order to meet new ASIC guidelines for a 30-day response.



## New Banking Code of Practice

The Code was updated and reissued in 2021, with over 200 binding commitments to protect customers. A triennial review of the Code also commenced.



The ABA engages with all sides of politics to advocate for a strong banking sector and sensible regulation. Donations are made to political parties, split equally between Government and Opposition and declared, as required, through the Australian Electoral Commission.

# Directors' Report

## Australian Banking Association Limited (ABA) Directors

The ABA Council is led by the Chair, Matt Comyn, Commonwealth Bank of Australia Chief Executive Officer and Managing Director, and the Deputy Chair, Marnie Baker, Bendigo and Adelaide Bank Limited Managing Director. The ABA's Council provides guidance and leadership to the ABA on policy issues that affect the banking and financial sector. The following 16 members were directors of the ABA Council during the financial year and as at 30 June 2021:

- Matt Comyn (Chair)
- Marnie Baker (Deputy Chair)
- Scott Hartley
- Marc Luet
- Melos Sulicich
- Shayne Elliott
- Kaber Mclean
- Ross McEwan
- Anna Bligh
- Melanie Evans
- Peter Knoblanche
- George Frazis
- Mary Reemst
- Clive van Horen
- Adam Crane
- Peter King

## FY2020/21 Board changes

All members of Council were appointed as Directors from 24 November 2020 upon the incorporation of the ABA as a Company Limited by Guarantee.

There were several changes to the composition of the ABA Council post this date for the 2020/21 financial year. These changes are listed below:

- departure of Damien Walsh, Managing Director, Bank Australia - 2 December 2020
- appointment of Melos Sulicich, Managing Director and Chief Executive Officer, MyState Bank Limited – 2 December 2020
- departure of Uday Sareen, Chief Executive Officer, ING Australia - 16 December 2020
- appointment of Melanie Evans, Chief Executive Officer, ING Australia – 16 December 2020
- departure of Rod Finch, Chief Executive Officer, AMP Bank - 11 January 2021
- appointment of Scott Hartley, Chief Executive Officer, AMP Bank – 11 January 2021
- departure of Mary Reemst, Chief Executive Officer, Macquarie Bank – 30 June 2021
- appointment of Stuart Green, Chief Executive Officer, Macquarie Bank – 30 June 2021

## Directors' qualifications, experience, and responsibilities

### Council Chair

#### Matt Comyn

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*Appointed 24 November 2020*

- Chief Executive Officer and Managing Director - Commonwealth Bank Australia
- ABA Council Chair
- Director – Financial Markets Foundation for Children
- Director – UNICEF Australia

Executive Master of Business Administration, Master's Degree in Commerce and Bachelor of Aviation, Completion of General Management Program at Harvard Business School.

### Council Deputy Chair

#### Marnie Baker

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*Appointed 24 November 2020*

- Managing Director - Bendigo and Adelaide Bank Limited
- ABA Council Deputy Chair
- La Trobe Bendigo Regional Advisory Board
- Mastercard Asia Pacific Advisory Board
- Member of Corporate Executive Women

Bachelor of Business in Accounting, Australian Society of Certified Practising Accountants, Member of the Australian Institute of Company Directors, Senior Fellow of the Financial Services Institute Australia.

#### Anna Bligh AC

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*Appointed 24 November 2020*

- Chief Executive Officer – Australian Banking Association Limited
- Non-executive Director – Medibank Private
- Non-executive Director – Australian Plays Transform
- Non Executive Director – International Banking Federation

Bachelor of Arts, Honorary Doctor of Laws.

#### Peter Knoblanche

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*Appointed 24 November 2020*

- Regional Manager, Rabobank Region Australia, New Zealand
- Chief Executive Officer, Rabobank Australia Limited
- Director – Rabobank Australia Limited
- Director – Rabo Australia Limited
- Director – Rabo Equipment Finance Limited
- Director – GrainCorp Pools Pty Limited
- Director – Soft Commodity Trading Pty Limited

Bachelor of Commerce, Graduate of the Australian Institute of Company Directors and completion of Harvard Advanced Management Program.

#### Peter King

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*Appointed 24 November 2020*

- Chief Executive Officer and Managing Director – Westpac Banking Corporation

Bachelor of Economics and Fellow of the Institute of Chartered Accountants, Completion of Advanced Management Programme.

#### Marc Luet

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*Appointed 24 November 2020*

- Chief Executive Officer – Citigroup Australia / New Zealand

Bachelor of Science (Economics) (Hons) and Master of Business Administration.

## Adam Crane

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*Appointed 24 November 2020*

- Chief Executive Officer – ME Bank Limited

Bachelor of Commerce, Master of Business Administration, Certified Public Accountant and Graduate of the Australian Institute of Company Directors.

## Ross McEwan CBE

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*Appointed 24 November 2020*

- Group Chief Executive Officer and Managing Director – National Australia Bank Limited
- Director – Financial Markets Foundation for Children

Bachelor of Business Studies.

## Shayne Elliott

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*Appointed 24 November 2020*

- Chief Executive Officer and Director – ANZ Banking Group Limited
- Director – Financial Markets Foundation for Children
- Member of Customs Advisory Board

Bachelor of Commerce, Management Studies and Finance.

## Kaber Mclean

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*Appointed 24 November 2020*

- Chief Executive Officer – HSBC Bank Australia Limited
- Executive Director – HSBC Board Australia

Bachelor of Economics and Chartered Accountant.

## Melanie Evans

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*Appointed 16 December 2020*

- Chief Executive Officer and Executive Director – ING Bank Australia Limited
- Chair – ABA Finance, Risk and Audit Committee
- Independent Director – Surf Life Saving Australia (SLSA)
- Chair – SLSA Finance, Audit and Compliance Committee
- Director – European Australian Business Council
- Member, Chief Executive Women

Bachelor of Commerce, Master of Commerce and Master of Professional Accounting, Member of the Australian Institute of Company Directors.

## Mary Reemst

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*Appointed 24 November 2020*

- Chief Executive Officer and Managing Director – Macquarie Bank Limited
- Chair – Macquarie Group Foundation
- Director – The Australian Financial Markets Association
- Director – Financial Markets Foundation for Children
- Director – The Asylum Seekers Centre Incorporated
- Director – The Sisters of Charity Foundation

Bachelor of Arts and Diploma of Financial Management in Accountancy.

## George Frazis

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*Appointed 24 November 2020*

- Chief Executive Officer and Managing Director - Bank of Queensland Limited
- Chair, Prime Minister's Industry Advisory Committee on Veterans' Employment
- Advisory Committee, UNSW Business School
- Co-founder, Head Start Homes

Bachelor of Engineering (Hons) and Master of Business Administration.

## Scott Hartley

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*Appointed 1 March 2021*

- Chief Executive Officer – AMP Bank Limited

Bachelor of Business Administration and completion of the INSEAD Advanced Management Programme, Fellow of the Association of Super Funds in Australia, Graduate of Australian Institute of Company Directors.

## Company Secretary

### Vanessa Beggs

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*Appointed 24 November 2020*

- Chief Operating Officer – Australian Banking Association
- Non-executive Director – Variety NSW/ACT
- Non-executive Director – DriveAbout World

Bachelor of Applied Science – Land Economics, Masters of Corporate Real Estate, Mount Eliza Business School, Grad Certificate of Management, Graduate of the Australian Institute of Company Directors, Senior Fellow of the Financial Services Institute Australia.

## Melos Sulicich

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*Appointed 2 December 2020*

- Chief Executive Officer and Managing Director – MyState Bank Limited

Bachelor of Business, Graduate of the Australian Institute of Company Directors, Senior Associate Member – FINSIA.

## Clive van Horen

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*Appointed 24 November 2020*

- Chief Executive Officer – Suncorp Bank
- Director – Tour de Cure Cancer Charity

PhD (Economics), Bachelor of Commerce, Chartered Accountant.



## Directors' meeting attendance

Attendance by ABA Directors at ABA Council Meetings and Financial, Risk & Audit Committee Meetings for the 2020/21 financial year.

Directors	Council Meetings		Finance, Risk & Audit Committee Meetings	
	Available to attend	Number attended	Available to attend	Number attended
Matt Comyn, Commonwealth Bank	4	4	-	-
Marnie Baker, Bendigo and Adelaide Bank	4	4	-	-
Scott Hartley, AMP Bank	2	1	-	-
Marc Luet, Citigroup Australia	4	4	-	-
Melos Sulicich, MyState Bank Limited	2	2	1	1
Shayne Elliott, ANZ Bank	4	4	-	-
Kaber Mclean, HSBC Bank	4	3	-	-
Ross McEwan, NAB Bank	4	2	-	-
Anna Bligh, ABA Limited	4	4	1	1
Melanie Evans, ING	3	3	1	1
Peter Knoblanche, Rabobank Australia	4	3	-	-
George Frazis, Bank of Queensland	4	3	-	-
Mary Reemst, Macquarie Bank	4	3	-	-
Clive van Horen, Suncorp Bank	4	4	-	-
Adam Crane, ME Bank	4	4	-	-
Peter King, Westpac Bank	4	2	-	-
Damien Walsh (Resigned Member – former Bank Australia Managing Director)	2	2	-	-
Uday Sareen (Resigned Director - former ING CEO)	1	1	-	-
Rod Finch (Resigned Director - former AMP CEO)	2	2	-	-

## ABA's objectives and strategy

The ABA executive has taken time to review the strategic direction of the Association and determine the focus for the year ahead. The clear short-term objective must be maintaining and enhancing reputation in the banking industry, while encouraging economic recovery, particularly as the COVID-19 government support packages draw to a close.

The activity and work required to deliver on economic recovery and maintaining reputation aligns with the ABA's four long-term strategic pillars and their respective objectives:

### 1) 'Every customer counts'

- Continue the work on vulnerability and financial difficulty, and
- Increase the work on improved accessibility, both these areas have been informed by the Consumer Outcomes Group which helps provide insight into the needs and gaps in Australian Banking.

### 2) 'Earn back your trust'

- Continue to close out the work on the Royal Commission and the Banking Code review.
- Increase the work on data and research. Two years post royal commission, and with some reputational gains in hand, this is a timely opportunity to give everyday Australians opportunity to voice their requirements and expectations, to inform our direction.

### 3) 'Grow Australia's economy'

- Continue the prudential regulation reform agenda
- Increase the work on credit flow and economic debates
- Introduce a Business & Agri group – leveraging the success of the Consumer Outcomes Group to inform the customer space. A Business & Agri group is expected to be invaluable in informing growth and economic recovery opportunities.

### 4) 'Imagine the future'

- Continue and increase the work on digital banking
- Increase the work on climate transition and the alignment of the banking industry's stance.

## ABA performance measures

The purpose of the company is to represent and advance the interests of its members to achieve a strong, trusted and competitive banking system that promotes good customer outcomes.

## Principal activities in achieving objectives

The principal activity of the Association is to work with its members to provide analysis, advice and advocacy relating to the development of public policy on banking and other financial services.

The activities of the company include:

- reviewing and providing comments on proposed regulations and legislation related to banking;
- advocating for changes to practice to improve customer outcomes;
- facilitating and supporting continuous improvement of the Banking Code;
- supporting and facilitating programs, projects and initiatives related to the banking sector;
- collaborating with communities, organisations, businesses and international bodies;
- educating and increasing the awareness of individuals, communities, business and government; and
- any other activities ancillary to or necessary for the fulfilment of the purpose of the ABA.

## Review of operations and results

The ABA operates under a financial year end of 30 June. The net surplus from ordinary activities after tax for 2021 was \$25,343 (2020: net surplus of \$59,862).

## Significant changes in state of affairs

On 24 November 2020, the ABA transitioned from an Association to a Company limited by guarantee. The changes have been wide ranging, including the establishment of internal governance committees, appointment of independent directors, and the requirement to comply with the Corporations Act 2001.

The Covid-19 pandemic impacted the types of ordinary activity expenditure incurred during the financial year but did not make significant changes to the company's state of affairs. The ABA continued to provide appropriate COVID-19 hygiene measures in the office and staff the flexibility to work from home. The health and safety of our staff and members remains a priority for the ABA. For the financial year ending June 21, the ABA did not apply for or receive the JobKeeper subsidy.

## Matters subsequent to the end of the financial year

The directors are not aware of any other matters or circumstances not otherwise dealt with in the directors' report or financial report that has significantly or may significantly affect the operations of the company, the results of these operations or the state of affairs of the company in subsequent financial years.

## Likely developments and expected results of operations

The directors consider that the company will continue its principal activities of working with its members to provide analysis, advice and advocacy relating to the development of public policy on banking and other financial services.

## Environmental regulation

The company is subject to normal State and Federal environmental legislation and does not operate within an industry with specific environmental guidelines or limits. To the best of the directors' knowledge, there have been no breaches of environmental legislation.

## Corporate governance statement

The directors are responsible to the ABA members for the governance, business and affairs of the company. The council provides guidance and leadership to the ABA on policy issues which seek to affect the banking and financial sector as a whole.

The functions of the board include:

- setting corporate strategies
- overseeing and monitoring organisational performance and the achievement of the company's strategic goals and objectives
- ensuring there are effective management processes in place and approving major corporate initiatives that arise throughout the year
- reviewing and approving financial budgets and special projects for the financial year.

## The Board of Directors

The board operates in accordance with the broad principles set out in the company's Constitution including that:

- a director must be the Chief Executive Officer of a company that is a member of the ABA. They must have knowledge about and be committed to the purpose of the ABA. Further information about the directors and their respective positions is available under the heading 'Directors' qualifications, experience, and responsibilities'
- the directors should meet as often as required for the proper discharge of their directors' duties and in any event no less than four times per year
- the board may resolve to establish committees consisting of persons as they determine. It may delegate to each committee such of their powers required for the effective and efficient running and administration of the committee. Current committees include the Finance, Risk & Audit Committee.

## The Board's commitment

The ABA Council meets on a quarterly basis during the year. The Chair of the Council is responsible for the general conduct of the meetings. Should a CEO Director not attend a Council meeting they are advised to elect an 'alternate' as the member representative. The number of meetings and the attendance of Directors is recorded and disclosed under the heading 'Directors' Meeting Attendance'.

## Conflicts of interest

Each director discloses all personal interests and other matters that could, or do, give rise to a conflict of interest in relation to a matter or decision being considered by the directors.

## Independent professional advice

Directors and board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

## Remuneration

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the company's diverse operations and achieving the company's strategic objectives.

The Chief Executive Officer is responsible for keeping the Chair informed of all relevant issues associated with management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

*Non-executive directors*

No fees were paid to the directors of the company.

## Audit

This function is overseen by the Finance, Risk and Audit Committee. Finance, Risk and Audit Committee has an essential role to play in ensuring the integrity and transparency of corporate reporting.

The committee's role includes reviewing the following:

- financial management, including reporting financial information to users of financial reports and applying accounting policies;
- the effectiveness of the company's internal control and risk management system;
- the independent audit process, including recommending the appointment and assessing the performance of the external auditor;
- the company's process for monitoring compliance with laws, regulations, internal business policies and practices; and
- protecting the company's assets.

The committee has responsibility over:

- financial reporting – risk assessment and management
- compliance with laws, regulations, internal policies and industry standards
- working with the external auditor
- reporting responsibilities
- review of the audit committee charter

## Directors' benefits

For the year ended 30 June 2021, no director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the company and the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest, with the exception of the benefits that may be deemed to have arisen in relation to transactions entered into in the ordinary course of business.

## Insurance of officers

To the extent permitted by law, the company indemnifies its officers (both current and past) for all losses or liabilities incurred by the person as an officer of the company including, but not limited to, a liability for negligence or for legal costs on a full indemnity basis.

This indemnity:

- may only be for losses or liabilities incurred as an officer of the company (either before or after the adoption of this rule);
- does not cover any loss or liability of an officer seeking to be indemnified under this rule if that loss or liability arises from that person's wilful misconduct or fraud; and
- operates only to the extent that the loss or liability is not paid by insurance.

During the financial year the company paid insurance premiums totalling \$24,530 (2020: \$17,600) in respect of directors' and officers' liability insurance. The policy does not specify the premium for individual directors and officers.

The directors' and officers' liability insurance provides

cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability incurred by the company's directors and officers to other persons where that liability was incurred by the director or officer in their position as a director or officer unless the conduct involved a wilful breach of duty or fiduciary obligation.

## Constitution

In accordance with the Constitution, each member of the ABA undertakes to contribute up to a maximum of \$10 to the assets of the company if it is wound up while the member is a member, or within one year afterwards, and at the time of winding up the debts and liabilities of the company exceed its assets. The liability of each member is limited to making such contribution and no more.

## Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest dollar under the option available to the ABA under ASIC Corporations Instrument 206/191.

## Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 30.

This report is made in accordance with a resolution of directors.



Matt Comyn  
Chair



Anna Bligh  
Chief Executive Officer

Sydney  
1 September 2021



## *Auditor's Independence Declaration*

As lead auditor for the audit of Australian Banking Association Limited for the year ended 30 June 2021, 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.

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

Matthew Lunn  
Partner  
PricewaterhouseCoopers

Sydney  
1 September 2021

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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# Financial Report 2021

# Statement of Comprehensive Income

	Notes	Actual 2021 \$	Actual 2020 \$
<b>Income from ordinary activities</b>			
Members contributions		11,711,196	11,830,005
Other Income	2	247,858	38,293
Special projects income		2,367,319	3,273,612
<b>Total income from ordinary activities</b>		<b>14,326,373</b>	<b>15,141,910</b>
<b>Expenses from ordinary activities</b>			
Consultancies		675,317	366,750
Depreciation and amortisation expenses	7,8	720,525	787,756
Operating Expenses	3	1,977,218	3,396,266
Premises		105,730	87,452
Special projects expenses		2,859,435	3,256,623
Staff costs	4	7,829,546	7,042,392
Finance costs	8	133,259	144,809
<b>Total expenses from ordinary activities</b>		<b>14,301,030</b>	<b>15,082,048</b>
<b>Surplus income / (loss) from ordinary activities</b>		<b>25,343</b>	<b>59,862</b>
Income tax expense		-	-
<b>Surplus income / (loss) after tax</b>		<b>25,343</b>	<b>59,862</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total other comprehensive income / (loss)</b>		<b>25,343</b>	<b>59,862</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



# Statement of Financial Position

	Notes	2021 \$	2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	3,085,364	1,987,042
Trade and other receivables	6	184,379	807,631
<b>Total Current Assets</b>		<b>3,269,743</b>	<b>2,794,673</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	240,838	388,928
Right-of-use assets	8	1,942,783	2,484,956
<b>Total Non-Current Assets</b>		<b>2,183,621</b>	<b>2,873,884</b>
<b>Total Assets</b>		<b>5,453,364</b>	<b>5,668,557</b>
<b>Current Liabilities</b>			
Accruals, provisions and other liabilities	9	2,162,716	1,853,502
Trade and other payables		60,893	101,760
Lease liability	8	586,202	530,230
<b>Total Current Liabilities</b>		<b>2,809,811</b>	<b>2,485,492</b>
<b>Non-Current Liabilities</b>			
Lease liability		1,848,078	2,434,280
Provision long service leave	10	278,016	256,669
<b>Total Non-Current Liabilities</b>		<b>2,126,094</b>	<b>2,690,949</b>
<b>Total Liabilities</b>		<b>4,935,905</b>	<b>5,176,441</b>
<b>Net assets / (liabilities)</b>		<b>517,459</b>	<b>492,116</b>
<b>Equity</b>			
Retained earnings		517,459	492,116
<b>Total Equity</b>		<b>517,459</b>	<b>492,116</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

	Retained earnings \$	Total equity \$
<b>2020</b>		
Balance as at 1 July 2019	432,254	432,254
Surplus / (loss) from ordinary activities	59,862	59,862
<b>Balance as at 30 June 2020</b>	<b>492,116</b>	<b>492,116</b>
<b>2021</b>		
Balance as at 1 July 2020	492,116	492,116
Surplus / (loss) from ordinary activities	25,343	25,343
<b>Balance as at 30 June 2021</b>	<b>517,459</b>	<b>517,459</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

	Notes	2021 \$	2020 \$
<b>Cash flow from operating activities</b>			
Receipts from members and associate members (including GST)		16,400,950	14,957,692
Payments to suppliers and employees (including GST)		(14,425,917)	(15,475,349)
Finance cost (leases)		(133,259)	(144,809)
Interest received		16,647	38,293
<b>Net cash provided /(used) by operating activities</b>	<b>5</b>	<b>1,858,421</b>	<b>(624,173)</b>
<b>Cash flow from investing activities</b>			
Additions to property, plant and equipment		(30,262)	(132,340)
<b>Net cash (used) in investing activities</b>	<b>7</b>	<b>(30,262)</b>	<b>(132,340)</b>
<b>Cash flow from financing activities</b>			
Payments for leases (including GST)		(729,837)	(554,533)
<b>Net cash (used) in financing activities</b>		<b>(729,837)</b>	<b>(554,533)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,098,322</b>	<b>(1,311,046)</b>
Cash and cash equivalents at the beginning of financial year		1,987,042	3,298,088
<b>Cash and cash equivalents at the end of financial year</b>		<b>3,085,364</b>	<b>1,987,042</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to and Forming Part of the Annual report

For the year ended 30 June 2021

## General Information

This financial report covers the Australian Banking Association Limited (the company) as an individual entity and is presented in Australian currency.

The ABA is a company limited by guarantee. In accordance with the Constitution, every member of the company undertakes to contribute to the property of the company in the event of the company being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding ten dollars (\$10) per member. The financial statements were authorised for issue by the directors on 1 September 2021. The operations of the Company are conducted in Australia only.

## Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Annual report are set out below. These principles have been consistently applied to all the years presented, unless otherwise stated.

### **a) 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 and the Corporations Act 2001 (the Act).

#### *Compliance with IFRSs*

The financial report of the company also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention and unless otherwise stated do not take into account current valuation of non-current assets.

#### *Critical accounting estimates*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

For the purpose of this financial report, the Company is not for profit.

### **b) Incorporation**

On 24 November 2020, the ABA transitioned from an Association to a Company limited by guarantee. The changes have been wide ranging, including the establishment of internal governance Committees, appointment of independent directors, and the requirement to comply with the Act.

### **c) Revenue**

#### *Membership contributions*

Revenue from membership subscriptions is recognised on a straight-line basis over the performance period. Membership subscriptions received in advance are held as unearned revenue (a current liability).

### *Special Projects*

From time to time the Company acts as agent on behalf of, or is involved in, special projects on behalf of individual members, or a particular group of members that has a particular interest in the project.

Expenses in relation to special projects are fully reimbursed by the individual member or group of members and the Company recognises special project income in the same period as the expenses are recorded. Expenses recorded relate to services provided by third parties which are directly attributable to the project.

#### **d) Property, Plant and Equipment**

Property, plant and equipment acquired for less than \$1,500 are written off to the Statement of Comprehensive Income when acquired.

Items of property, plant and equipment acquired for greater than \$1,500 are depreciated over their estimated useful lives. The straight-line method of depreciation is used. Property, plant and equipment are depreciated from the date of acquisition. The expected useful lives of the major categories are as follows:

Office furniture, fixtures and fittings	3 – 5 years
IT equipment and software	3 years

#### **e) Taxation**

The Company is assessable only on income from non-mutual sources such as interest income or associate members revenue.

The tax payable on income from non-mutual sources is generally not material and offset by tax deductions available to the Association. No deferred tax assets or liabilities are recognised given the unlikelihood of future net taxable income.

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables and payables. 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 flows.

#### **f) Employee Entitlements**

The provision for employee entitlements relates to amounts expected to be paid to employees for annual leave, long service leave and bonuses and is based on legal and contractual entitlements and assessments.

#### **g) 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 are believed to be reasonable under the circumstances. It has been determined that no critical accounting estimates or judgements have been made in the year.

#### h) **New and Amended Accounting Standards**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the annual reporting period beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### i) **Leases**

The Company has adopted AASB 16: Leases from 1 July 2019. The Company recognised a 'right-of-use asset' representing its right to use leased assets and a 'lease liability', measured as the present value of future lease payments. The Statement of Comprehensive Income includes depreciation of the right-of-use asset and interest expense on the lease liability over the lease term. Total lease expense recognised over the life of a lease remains unchanged as compared to AASB 117, however the timing of expense recognition changes, with a higher expense recognised in the earlier stages of a lease due to the interest expense being determined on the lease liability that amortises over the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments, less any lease incentives receivable. The lease payments are discounted using the Association's incremental borrowing rate, being the rate that the Association would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to the Statement of Comprehensive Income over the lease period.

Right-of-use assets are depreciated over the term of the lease on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

The Company entered into a lease agreement for its office premises at 6 O'Connell Street, Sydney on 1 February 2018. The lease is for a term of 7 years, expiring 31 January 2025. Rent is payable monthly in advance. Provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum.

## Note 2

### Other Income

	2021	2020
	\$	\$
Associate Member contributions	231,211	-
Interest income	16,647	38,293
<b>Total other income</b>	<b>\$247,858</b>	<b>38,293</b>

## Note 3 Operating Expenses

	2021	2020
	\$	\$
Professional fees	453,985	803,688
Marketing and Advertising Campaigns	165,596	798,885
Other expenses	259,616	387,912
Technology maintenance	293,101	336,324
Research	240,100	320,300
Travel and accommodation	43,030	208,976
Seminars and conferences	231,947	146,552
Staff recruitment	45,000	143,312
Communications	46,421	93,693
Political Contributions	96,959	87,945
Staff training	101,463	68,679
<b>Total operating expenses</b>	<b>1,977,218</b>	<b>3,396,266</b>

## Note 4 Staff Costs

	2021	2020
	\$	\$
Other benefits	6,960	5,550
Salaries and wages	7,822,586	7,036,842
<b>Total staff costs</b>	<b>7,829,546</b>	<b>7,042,392</b>

## Note 5 Cash and cash equivalents

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	2,666,557	1,568,235
Term Deposit-Bank Guarantee	418,807	418,807
<b>Total cash and cash equivalents</b>	<b>3,085,364</b>	<b>1,987,042</b>

Reconciliation of net cash inflow/(outflow) from operating activities to surplus from ordinary activities before tax

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Surplus/(loss) from ordinary activities for the year</b>	25,344	59,862
Non-cash flows in profit:		
- depreciation	720,525	787,756
- finance costs	133,259	144,809
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	623,252	63,366
- increase/(decrease) in accruals, provisions and other liabilities	431,873	(1,608,547)
- increase/(decrease) in trade and other payables	(63,889)	(20,203)
- increase/(decrease) in lease liability	(11,943)	(51,216)
<b>Cash flows from operations</b>	<b>1,858,421</b>	<b>(624,173)</b>

## Note 6 Trade and other receivables

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
GST receivable	98,314	-
Trade debtors	86,065	807,631
<b>Total trade and other receivables</b>	<b>184,379</b>	<b>807,631</b>



## Note 7 Property, plant and equipment

	2021	2020
	\$	\$
Property, plant and equipment	939,012	908,750
Accumulated depreciation	(698,174)	(519,822)
<b>Total property, plant and equipment</b>	<b>240,838</b>	<b>388,928</b>

### Property plant and equipment

Opening balance property plant and equipment	388,928	510,187
Additions	30,262	132,340
Disposals	-	(8,016)
Depreciation expense	(178,353)	(245,583)
<b>Closing balance, property plant and equipment</b>	<b>240,838</b>	<b>388,928</b>

## Note 8 Leases

### a) Amounts recognised in the Statement of Financial Position

	2021	2020
	\$	\$
<b>Right-of-use Assets</b>		
Level 18, 6 O'Connell Street, Sydney	1,942,783	2,484,956
<b>Total</b>	<b>1,942,783</b>	<b>2,484,956</b>

	2021	2020
	\$	\$
<b>Lease Liabilities</b>		
Current Lease liability	(586,202)	(530,230)
Non-current Lease liability	(1,848,078)	(2,434,280)
<b>Total</b>	<b>(2,434,280)</b>	<b>(2,964,510)</b>

### b) Amounts recognised in the Statement of Comprehensive Income

	2021	2020
	\$	\$
Depreciation Charge of Right-of-use assets	542,172	542,172
Finance costs	133,259	144,809
<b>Total</b>	<b>675,431</b>	<b>686,981</b>

## Note 9 Provisions – current

	2021	2020
	\$	\$
Provision for staff cost	806,328	93,750
Provision for annual leave	381,114	321,968
Provision for long service leave	-	30,974
Provision for expenses	975,274	1,346,810
Other liabilities	-	60,000
<b>Total provisions - current</b>	<b>2,162,716</b>	<b>1,853,502</b>

## Note 10 Provisions – non-current

	2021	2020
	\$	\$
Provision for long service leave	278,016	256,669
<b>Total provisions - non-current</b>	<b>278,016</b>	<b>256,669</b>

## Note 11 Remuneration of auditors

	2021	2020
	\$	\$
Audit of the financial report	55,680	55,680
Taxation and other non-audit services	212,556	584,240
<b>Total remuneration of auditors</b>	<b>268,236</b>	<b>639,920</b>

## Note 12 Commitments and contingencies

	2021	2020
	\$	\$
Within one year	692,321	663,488
Later than one year but not later than five years	1,926,193	2,618,514
Later than five years	-	-
<b>Total commitment and contingencies</b>	<b>2,618,514</b>	<b>3,282,002</b>

As at balance sheet date, there are no contingent liabilities.

## Note 13 Related party disclosures

The following transactions occurred with related parties:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Revenue - Member's contributions	11,711,196	11,830,005
Revenue - Special projects income	2,367,319	3,273,612
Other Income - Interest	16,647	38,293
<b>Total related party revenue</b>	<b>14,095,162</b>	<b>15,141,910</b>
Expenditure	7,120	7,518
<b>Total related party expenditure</b>	<b>7,120</b>	<b>7,518</b>
Trade debtors	86,065	682,201
<b>Total related party debtors</b>	<b>86,065</b>	<b>682,201</b>
Trade Creditors	-	-
<b>Total related party creditors</b>	<b>-</b>	<b>-</b>

Disclosures relating to key management personnel are set out in Note 14.

## Note 14 Key management personnel

The key management personnel of the company are the directors and executive officers who had authority and responsibility for planning, directing and controlling activities of the company for the year. The following individuals were the key management personnel who held office during the year.

### Non-executive directors

- Adam Crane (appointed 24 November 2020)
- Peter Knoblanche (appointed 24 November 2020)
- Clive van Horen (appointed 24 November 2020)
- Ross McEwan (appointed 24 November 2020)
- George Frazis (appointed 24 November 2020)
- Scott Hartley (appointed 11 January 2021)

- Kaber Mclean (appointed 24 November 2020)
- Shayne Elliott (appointed 24 November 2020)
- Marc Luet (appointed 24 November 2020)
- Stuart Green (appointed 30 June 2021)
- Marnie Baker (Deputy Chair) (appointed 24 November 2020)
- Damien Walsh (resigned 2 December 2020)
- Matt Comyn (Chair) (appointed 24 November 2020)
- Mary Reemst (resigned 30 June 2021)
- Melanie Evans (appointed 16 December 2020)
- Rod Finch (resigned 11 January 2021)
- Melos Sulicich (appointed 2 December 2020)
- Uday Sareen (resigned 16 December 2020)
- Peter King (appointed 24 November 2020)

#### Details of Executive key management personnel

Executives	Title	Appointed
Anna Bligh	Chief Executive Officer	03 April 2017
Vanessa Beggs	Chief Operating Officer and Company Secretary	08 April 2019
Sally Cray	Executive Director, Corporate Affairs	11 May 2020
Christine Cupitt <sup>1</sup>	Executive Director, Policy	08 September 2014
Aidan O'Shaughnessy	Executive Director, Policy	02 September 2014
Fiona Landis <sup>1</sup>	Acting Executive Director, Policy	14 December 2017

<sup>1</sup> Christine Cupitt on parental leave from 6 April 2021, Fiona Landis covered Chris's role during this period.

#### Remuneration of key management personnel

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Management Personnel.

	2021	2020
	\$	\$
The aggregate amount of compensation paid to key personnel during the year:		
Short-term employee benefits	2,556,377	2,473,363
Post-employment benefits	144,295	121,981
Long-term benefits	153,950	118,603
Termination benefits	-	19,906
<b>Total</b>	<b>2,854,622</b>	<b>2,733,853</b>

No fees were paid to other directors of the company.

## Note 15 Financing arrangements

The financing arrangements with ANZ include the corporate card and Bank Guarantee. Access was available at balance date to the following bank facilities:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Corporate card limit	30,000	30,000
Unused at balance date	9,746	17,959
Bank guarantee	418,807	418,807

Bank guarantee provided by ANZ in favour of 6 O'Connell Real Estate Pty Limited for the premise lease at Level 18, 6 O'Connell Street, Sydney NSW 2000.

## Note 16 Financial Risk Management

### *Financial risk management objectives*

The Company's activities expose it to financial risks including interest rate risk and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Executive Leadership Team with oversight by the Finance, Risk and Audit Committee.

### *Interest rate risk*

The Company's main interest rate risk arises from distributions from cash and cash equivalents which expose it to risks associated with the effects of fluctuations in market interest rates. The Company has minimal interest rate risk.

### *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient liquid assets (mainly cash and cash equivalents) and the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The financial liabilities are predominantly due within 1 month.

### *Foreign currency risk*

The Company is not exposed to any foreign currency risk.

### *Price risk*

The Company is not exposed to any price risk.

### *Credit risk*

The Company is not exposed to any credit risk.

## Note 17 Events occurring after reporting date

There are no matters or circumstances that have arisen since the end of the financial year not otherwise dealt with in the financial report, which significantly affected or may significantly affect the operation of the Company, the result or the state of affairs.

### Directors' declaration

For the year ended 30 June 2021

In the directors' opinion:

- a) the financial statements and notes set out on pages 31-46 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 financial position as at 30 June 2021 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, and
- c) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Matt Comyn  
Chair



Anna Bligh  
Chief Executive Officer

Sydney  
1 September 2021



## *Independent auditor's report*

To the members of Australian Banking Association Limited

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### *Our opinion*

In our opinion:

The accompanying financial report of Australian Banking Association Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### ***What we have audited***

The financial report comprises:

- the Statement of Financial Position as at 30 June 2021
- the Statement of Comprehensive Income for the year then ended
- the Statement of Changes in Equity for the year then ended
- the Statement of Cash Flows for the year then ended
- the Notes to and Forming Part of the Financial Report, which include significant accounting policies and other explanatory information
- the Directors' declaration.

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### *Basis for opinion*

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

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

### ***Independence***

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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

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

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

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### *Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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





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*Auditor's responsibilities for the audit of the financial report*

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:  
[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*PricewaterhouseCoopers*  
PricewaterhouseCoopers

*M Lunn*  
Matthew Lunn  
Partner

Sydney  
1 September 2021





*green*  
- GREEN BLEND LATTÉ 3.75  
- GREEN BLEND ESPRESSO 3.75  
*mint*  
- MINT LATTÉ 3.75  
*black*  
- SPANISH TROUSERS 4  
- SPANISH TROUSERS 3.5  
- SPANISH TROUSERS 3.5  
*pre-ord*  
- ORDER IN 3.75

LATTE 3.75  
MOCHA 3.75  
SINGLE ORIGIN Espresso (see table/online) 4.50  
FRESH BAKED 3.75  
CHAI 4.50  
HOT CHOCOLATE 3.75  
+ espresso shot 1.00  
+ almond / house vanilla syrup 0.50  
+ nutella / hot fudge



# Australian Banking Association

## **Secretariat**

Principal Registered Office in Australia  
Level 18, 6-10 O'Connell Street, Sydney NSW 2000  
T 02 8298 0417

## **Auditors**

PricewaterhouseCoopers

## **Bankers**

Australia and New Zealand Banking Group

Australian Business Number (ABN) 60 117 262 978