ANNUAL REPORT 2017



Victorian
Chamber of Commerce
and Industry



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THE VICTORIAN CHAMBER OVERVIEW

The Victorian Chamber of Commerce and Industry (Victorian Chamber) is the largest and most influential business organisation in Victoria, informing and servicing more than 15,000 members, customers and clients across the state.

The Victorian Chamber's expertise spans a diverse range of areas, including policy and advocacy, workplace relations, training, international trade, apprenticeship services, and OHS.

The Victorian Chamber helps business succeed today and into the future.

Working for business. Working for Victoria.

Policy and Advocacy

The Victorian Chamber advocates to all levels of government, promoting pro-business policies that improve the operating environment for Victorian businesses. Our aim is to drive economic growth in our state by helping our members grow and compete against interstate and international competitors.

In 2016/17, our advocacy ahead of the Victorian State Budget resulted in the introduction of key business friendly measures such as a reduction in the payroll tax rate of 25 per cent for businesses that have at least 85 per cent of their employees in regional areas and an increase in the payroll tax threshold to $625,000 from 1 July 2017 and to $650,000 from 1 July 2018.

The State Budget allocation of $100 million for design and planning of North East Link realised a long-standing priority of the Victorian Chamber, along with other welcome announcements of $90 million to create and retain jobs in priority industry sectors including manufacturing, $25 million for Visit Victoria to promote tourism and major events.

The infrastructure investment continued with an announcement from the Federal Government that it would commit $1.42 billion from its asset recycling scheme following the sale of the Port of Melbourne, to go towards regional rail upgrades in Victoria.

The Policy and Advocacy team continued to oversee the Victorian Chamber's taskforces, bringing together business and sector leaders to shape our policy agenda. This last financial year, we launched the International Engagement Taskforce and Agribusiness Taskforce final reports and recommendations.

The Victorian Chamber Policy and Advocacy team works with members through regular consultation and submissions to Government and publications including the quarterly Survey of Business Trends and Prospects. Our Business Excellence magazine took on a new digital format with key content provided by Government Ministers, our members and our staff experts in various areas.

The Victorian Chamber values the strong relationship it has with the Australian Chamber of Commerce and Industry. As part of this productive partnership, the Victorian Chamber supports and collaborates on a number of national issues affecting Australian businesses.

Membership

The Victorian Chamber delivers advocacy, products and services to its Members to create the environment, skills and opportunities for business to flourish.

We offer membership propositions to support Victorian business of all sizes and needs. The Victorian Chamber value proposition saves businesses time and money when complying with workplace regulation and upskilling their employees to drive growth.

The Victorian Chamber also offers specialist support to the tourism industry through the Victoria Tourism Industry Council and to larger businesses through the Melbourne Chamber of Commerce.

Workplace Relations

The Victorian Chamber's Workplace Relations consultants provide Members with comprehensive solutions to workplace problems in areas such as unfair dismissal, redundancy and change management, diversity and equal opportunity, enterprise bargaining and contracts and HR services. A range of tools, templates, wage summaries and manuals are available on the Victorian Chamber's website for Members.

Our Melbourne Chamber of Commerce, Connect and Complete Members have access to unlimited phone advice via our Workplace Relations Helpline and, if needed, legal advice and representation via its associated law firm, CCI Lawyers.

Workplace Assured

In 2017 the Victorian Chamber began offering a new product to businesses, Workplace Assured. Workplace Assured is a complete workplace relations solution for small to medium businesses designed to provide peace of mind when it comes to managing and complying with workplace issues.

One fixed fee guards businesses against a range of workplace risks including unfair dismissal, harassment, bullying and breach of contract or wage disputes. Unlike other workplace offerings in the market, Workplace Assured is delivered and endorsed by the State and Territory Chambers of Australia, not-for-profit business organisations who have been championing employer interests first since the 1800s. The Victorian Chamber is pleased to offer this product to Members, to help employers worry less about workplace relations risks and focus more on their business.

Training

The Victorian Chamber is committed to delivering excellence in training and conducts 700 short courses, accredited diplomas and certificates, briefings and webinars across Victoria each year.

As a Registered Training Organisation, the Victorian Chamber's selection of nationally recognised diploma and certificate-level courses cover a number of business topics including management, business administration, project management and HR management among others.

Our short courses cover areas as diverse as leadership and management, business, finance and productivity, human resources and workplace relations, WorkCover and OHS, information technology, and personal effectiveness.

Health, Safety and Wellbeing

The Victorian Chamber provides businesses with practical health and safety solutions to keep their employees safe. Our advice is tailored to Member needs and delivered by experienced safety practitioners.

We offer a range of consulting services such as workplace safety assessments, Victorian WorkCover Authority support, WorkCover claims and return to work management. The services also cover incident investigation and advice on corrective/preventative actions and manual handling, and ergonomic, noise and plant assessments.

Our practitioners can provide Members with advice on 'due diligence' and their legal obligations, hazard identification and risk assessment, developing a safety management system and/or audits and establishing health and safety representatives and committees.

The Victorian Chamber's Mental Health Check Program allows you to gain a clear understanding of the mental health risks that exists within your business and will assist you in taking concrete steps towards reducing these risks. Our team of experienced Workplace Consultants will work with you to design and implement a program that will deliver a measurably better mentally healthier workplace.

Apprenticeships Support Australia

Apprenticeships Support Australia (ASA) is the Victorian delivery partner of Chambers Apprenticeship Support Australia (CASA). CASA is contracted by the Australian Government to deliver quality end-to-end advice and support services to Australia's apprentices and their employers.

ASA supports more than 5,900 Victorian businesses each year to deliver a full range of marketing, information and advice to support apprentices and employers prior to commencement and while they are in training. This includes assisting employers to select the apprenticeship that is most suited to the employer and the potential apprentice, conducting training contract sign-ups, assessing eligibility for commonwealth incentive programs, and engaging with state and territory training authorities.

International trade

The Victorian Chamber's international trade, business and investment professionals provide advice and assistance on international trade opportunities and processes, enabling Victorian business to establish new, or build on existing, international opportunities.

Consultants identify opportunities, potential partners and trusted suppliers, assist with market research and market entry strategies and help businesses understand trade conditions, restrictions and quarantine.

Our international trade consultants also arrange and host international trade missions. Other services offered by the team include customs and export documentation, export skills and cultural training, integrated visa and migration services, and support in accessing financial assistance and other government programs. The Victorian Chamber is the only body in Victoria that is authorised to issue both Certificates of Origin and ATA Carnets.



FROM THE CHIEF EXECUTIVE

The Victorian Chamber of Commerce and Industry is proud to have achieved significant policy and advocacy wins over the past year that help thousands of Victorian businesses that face fierce competition from interstate and international competitors.

In May, we welcomed Victorian Premier Daniel Andrew's third budget, which included several major policies the Victorian Chamber has been advocating strongly for, including $100 million for design and planning of North East Link, the Victorian Chamber's number one infrastructure priority.



Other headline budget wins were a reduction in the payroll tax rate of 25 per cent for regional businesses and an increase in the payroll tax threshold to $625,000 from 1 July 2017 and to $650,000 from 1 July 2018, which passed in Parliament just before the end of the 2016/17 financial year. Other welcome announcements included $90 million to create and retain jobs in priority industry sectors, and $25 million for Visit Victoria to promote tourism and major events.

For the second year, the Victorian Chamber partnered with the Melbourne Press Club to host another successful post-budget lunch featuring Victorian Treasurer the Hon. Tim Pallas MP. The Treasurer took attendees through the other key budget measures, including major infrastructure projects for regional Victoria of more than $500 million for regional roads and a Regional Rail Revival package that would be funded from the Federal Government's Asset Recycling Scheme, following the sale of the Port of Melbourne.

Our post-budget commentary supported this infrastructure investment and Prime Minister Malcolm Turnbull later announced that the Federal Government would commit $1.42 billion towards Victorian regional rail upgrades.

These projects are vital to the liveability and competitiveness of our state, now and in years to come.

Our advocacy also focussed on the rising energy costs for business and the Victorian Chamber took a strong stance against the continuation of the moratorium on onshore conventional gas exploration.

The Victorian Chamber has maintained a position calling for a regulatory regime to manage the risks of individual gas supply projects on a case-by-case basis, instead of the moratorium. We believe that the moratorium restricts potential supply and will impact all Victorians by exposing us to international gas prices while restricting Victoria's ability to make significant progress.

Throughout the year we continued to advocate for the progression of reforms to the State's vocational education and training system that strengthen the quality of training and more closely align outcomes with employer needs and job opportunities.

In April, the Victorian Chamber partnered with the Victorian Tourism Industry Council and its members to raise awareness of a ticketing scam operating via the Chinese social media portal *WeChat*. The public awareness campaign informed Victorian businesses about the risks of this sophisticated scam and what they could do to protect their businesses.

The Victorian Chamber also continued to advocate publicly against extra public holidays, including the second Grand Final Eve public holiday and an additional Christmas Day public holiday. We were particularly concerned that the cost of three new public holidays in 2016 was paid for by Victorian businesses, and in particular the extra Christmas Day public holiday was announced just five weeks beforehand, giving little time for businesses to plan their rosters, expenditure and operations.

In January, we launched our International Engagement Taskforce Report, *Trading on our strengths*, which outlined eight key recommendations to help Victorian businesses take advantage of opportunities for growth in international markets. Recommendations include linking international engagement support programs with small and medium business' individual needs, supporting collaboration and innovation, tailored business matching in priority markets and fostering of emerging National Employment clusters in regional Victoria.

The Victorian Chamber's Agribusiness Taskforce handed down its final report *Harvesting Growth for Victoria* which made recommendations in six areas key to the future success of Victorian agribusiness: Increase quality, innovation and value capture across the agribusiness supply chain; Grow new agribusiness markets; Facilitate investment and increase output; Fast-track infrastructure and reduce transport and distribution constraints: Improve workforce skills, grow jobs and build business capacity; Lower agribusiness costs; and Reduce red tape.

The Victorian Chamber continued to promote our chamber identifying brand and relationship with the Australian Chamber of Commerce and Industry. This year, we campaigned and collaborated on a national scale on a number of issues affecting Australian businesses.

In July, we announced a chamber alliance with the Geelong Chamber of Commerce, collaborating on key policies and offering their members access to a range of Victorian Chamber products and services.

In November 2016 and June 2017, our Global team hosted two separate inbound delegations from Jiangsu Province as part of the Victoria Jiangsu Business Placement (VJBP) program. The participants met Victorian businesses in advanced manufacturing, construction, petrochemical manufacturing, engineering and automotive sectors, forging connections and partnerships that will create growth.

In May, a group of 13 Victorian delegates visited Jiangsu and Tianjin Provinces in China, meeting businesses in their relevant sectors to create relationships that will help grow their operations and take their businesses global.

In 2016-17, the Victorian Chamber made 16 submissions to the State Government on issues affecting our members, customers and clients, including the *Review of Regulation Impacting Small Business Retailers* and *Proposed Occupational Health and Safety Regulations* in September and *Infrastructure Victoria Draft 30-year Infrastructure Strategy* in October.

Our State Budget Submission received significant attention in the months leading up to the Budget from December, and we also made a submission to the *Victorian Portable Long Service Leave Design Study* in March 2017.

The Victorian Chamber also had direct influence with membership of a number of key government advisory groups including: Premier's Jobs and Investment Panel, Auto Transition Taskforce, Advanced Manufacturing Taskforce, the Victorian Aboriginal Economic Board, Victorian Skills Commissioner Industry Advisory Groups and Victorian Apprenticeships Taskforce.

Looking ahead to 2017/18, the Victorian Chamber is well positioned to promote Victorian businesses and their priorities, with a Transport Taskforce and a Health Services Taskforce both being undertaken this financial year.

The Victorian Chamber is also already planning its strategy about the upcoming State Election, with a series of workshops and events leading up to the Victorian Summit at Parliament House in November 2017.

I would like to thank the Victorian Chamber's Board, Executive Council and staff for the ongoing strategic leadership and guidance in continuing to promote Victorian businesses and our State as a great place to do business.

In particular, I would like to acknowledge our Immediate Past President the Hon. Mark Birrell, who led the chamber in the first half of the financial year before his three-year term as President came to a close. Our new President Don Rankin took on the position at the Victorian Chamber's Annual General Meeting in November 2016, along with our new Deputy President Karyn Sobels.

Finally, I thank all members of the Victorian Chamber of Commerce and Industry for their continued membership and support. The Victorian Chamber's advocacy is for the benefit of all of our members, giving them a collective voice heard at the highest levels of Government to call for pro-business policies that will benefit all Victorian businesses and the State Economy.

The Victorian Chamber of Commerce and Industry

Mark Stone AM
Chief Executive

OPERATING REPORT

THE MEMBERS OF COMMITTEE OF MANAGEMENT

The Members of the Committee of Management (Board of Directors) comprises of elected representatives of the Executive Council of the Victorian Chamber of Commerce and Industry (Victorian Chamber) who form the Board of Directors. The Past President of the Victorian Chamber is eligible for election to the Board of Directors in the office of Past President, under rule 22A which came into effect on 18 November 2015.

The Directors present their report together with the financial report of the Victorian Chamber for the year ended 30 June 2017 and the Auditor's Report thereon.

The persons who held office as members of the Board of Directors of the Victorian Chamber during the reporting period were:

Name of Officer	Office Held	Appointed	Resigned
Mr Don Rankin	President	20.11.2007	
Ms Karyn Sobels	Vice President	22.11.2011	
Mr Mark Birrell	Director (Immediate Past President)	20.11.2007	
Mr Kevin Brown	Director	27.05.2003	
Ms Kerry Smith	Director	20.11.2012	
Mr Adrian Kloeden	Director	19.11.2013	
Mr Robert van Stokrom	Director	18.11.2014	
Mr David Richardson	Director	04.04.2016	
Mr Brian Negus	Director	17.11.2016	
Mr Mark Stone	Secretary/Chief Executive	20.06.2011	

Don Rankin (President) and Karyn Sobels (Vice President) were appointed to their positions on the 17th Novemebr 2016.

MEETINGS – BOARD OF DIRECTORS

The number of meetings attended by each of the members of the Board of Directors of the Victorian Chamber during the financial year was:

Name of Officer	Number of Meetings Held while in Office	Meetings Attended
Mr Don Rankin	10	10
Ms Karyn Sobels	10	9
Mr Mark Birrell	10	9
Mr Kevin Brown	10	10
Mr Adrian Kloeden	10	8
Mr Brian Negus	6	4
Mr David Richardson	10	10
Ms Kerry Smith*	10	3
Mr Robert van Stokrom	10	8
Mr Mark Stone	10	10

*The Board approved a period of 'Leave of Absence' for part of the term.

REMUNERATION PAID TO OFFICERS

The salary ranges of the five highest paid officers of the Victorian Chamber for the year ended 30 June 2017 were:

	Remuneration ($000s)			Non-cash Benefits ($000s)		
Name of Officer	**0-50**	**51-100**	**401-450**	**0-50**	**51-100**	**401-450**
Ms Karyn Sobels	•					
Mr Kevin Brown	•					
Mr Mark Birrell		•				
Mr Don Rankin		•				
Mr Mark Stone			•	•		

SUPERANNUATION TRUSTEES

Name of Officer or Member	Position Held	Superannuation Fund	Nominated by Victorian Chamber or other Body
Mr Wayne Kayler-Thomson	Member	VICSuper	Victorian Chamber
Mr Graham Sherry	Member	Vision Super	Victorian Chamber
Mr Mark Sibree	Member	CARE Super	Victorian Chamber

PRINCIPAL ACTIVITIES

The principal activities of the Victorian Chamber during the financial year were to assist the interests of Victorian business members and contributors via representation and advocacy to Government and policy makers along with providing membership services primarily involving Industrial Relations, information, advice, networking and value added professional services. The Victorian Chamber makes a positive difference to Victoria's economic, environment and ultimately the community. There was no significant change in the nature of these activities during the period.

REVIEW AND RESULTS OF OPERATIONS

The Victorian Chamber recorded a consolidated operating profit for the year ended 30 June 2017 of $1,269,341 (2016: Loss $(3,018,559)). The consolidated net assets at 30 June 2017 totalled $91,323,548 (2016: $90,054,207).

MEMBERSHIP OF VICTORIAN CHAMBER

As at 30 June 2017, the Victorian Chamber had 6,328 paid members (2016: 5,721).

EMPLOYEES OF VICTORIAN CHAMBER

As at 30 June 2017, the total number of employees was 206 (2016: 206).

OPERATING REPORT CONTINUED

BOARD COMMITTEES

The following Board Committees operated during the reporting period:

Audit and Risk Committee*

Karyn Sobels (appointed Chair 12.02.2017)

Robert van Stokrom

David Richardson

Investment Committee*

Adrian Kloeden (appointed Chair 12.02.2017)

Mark Birrell

Brian Negus

Kerry Smith (resigned from Committee 12.02.2017)

Remuneration Committee*

Kevin Brown

Karyn Sobels

Don Rankin

Mark Birrell (resigned from Committee 12.02.2017)

*The President is an ex-offico member of all Committees.

EVENTS AFTER THE BALANCE DATE

No events occurred after the Balance Date.

MANNER OF RESIGNATION

Rule 10 provides for the process of resignations.

(a) (i) A member may resign from membership of the Organisation by written notice addressed and delivered to the Secretary. Such notice shall be taken to have been received by the Organisation when delivered to the Secretary.
(ii) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered to the Secretary.
(iii) A resignation from membership of the Organisation is valid even if it is not effected in accordance with paragraph (i) hereof if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.

(b) A notice of resignation from membership of the Organisation takes effect:
(i) where the member ceases to be eligible to become a member of the Organisation:
1. on the day on which the notice is received by the Organisation; or
2. on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
whichever is later; or
(ii) in any other case:
1. at the expiration of 2 weeks after the notice is received by the Organisation; or
2. on the day specified in the notice;
whichever is later.

(c) If a member ceases to be engaged in or as an employer in the industry the membership of such member may, subject to the member being accorded natural justice, be determined summarily by resolution of the Executive Council, provide however that such determination shall not affect the liability of the member to pay all monies owing by the member to the Organisation.

(d) Any dues payable but not paid by a former member of the Organisation, in relation to a period before the member's resignation or termination from the Organisation took effect, may be sued for and recovered in the name of the Organisation in a court of competent jurisdiction, as a debt due to the Organisation.

(e) If a member becomes unfinancial in accordance with Rule 9 his name may be struck off the Register of Members by Order of the Executive Council. Any member shall cease to be a member of the Organisation as soon as his name shall have been struck off the Register of Members by Order of the Executive Council and not sooner. Provided that where a member has become unfinancial and at least fourteen (14) days before the Executive Council orders that the member be struck off the Register of Members, the Secretary shall advise the person, in writing, that if he fails to pay the outstanding subscriptions within fourteen (14) days of the date of the letter then he will be struck off the Register of Members without further notice. If the person pays the outstanding subscriptions within that time then he shall not be struck off the Register of Members.

(f) Any member who shall be expelled from the Organisation under the Provisions of Rule 40 hereof shall thereupon cease to be a member.

(g) Members ceasing to be such from any cause whatsoever have no claim of any kind – monetary or otherwise – on the organisation or its assets.

Signed in accordance with a resolution of the Committee of Management.



Mark Stone AM
Secretary and Chief Executive
At Melbourne, 19 October 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
REVENUE					
Membership and contributors subscriptions	2a	7,005,535	7,098,557	7,005,535	7,098,558
Other revenue	2a	18,160,831	18,832,659	17,938,057	18,633,866
Other income	2b	9,959,701	3,204,600	9,955,889	3,162,598
TOTAL REVENUE AND OTHER INCOME		**35,126,067**	**29,135,816**	**34,899,481**	**28,895,022**
Operating expenses		3,150,153	3,336,634	3,145,689	3,334,337
Employee expenses	4	19,327,859	19,272,402	19,004,211	18,976,952
Affiliation fees		613,500	600,000	613,500	600,000
Depreciation and amortisation expense		849,470	808,928	849,470	808,928
Donations		264	400	264	400
Federal & State Government programs		2,355,262	2,243,711	2,355,262	2,243,711
Occupancy expenses		1,337,443	1,371,035	1,326,974	1,359,137
Consultancy fees		2,288,294	1,387,061	2,277,794	1,345,061
Share of net Loss from Associate	18	728,744	–	728,744	–
Write down & impairment of assets		100,000	–	100,000	196,871
Other administration expenses		3,105,737	3,134,204	3,192,288	3,209,117
TOTAL EXPENDITURE		**33,856,726**	**32,154,375**	**33,594,196**	**32,074,514**
CURRENT YEAR SURPLUS/ (DEFICIT) BEFORE TAX	3	**1,269,341**	**(3,018,559)**	**1,305,285**	**(3,179,492)**
NET CURRENT YEAR SURPLUS / (DEFICIT)		**1,269,341**	**(3,018,559)**	**1,305,285**	**(3,179,492)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**1,269,341**	**(3,018,559)**	**1,305,285**	**(3,179,492)**
NET CURRENT YEAR SURPLUS / (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE ENTITY		**1,269,341**	**(3,018,559)**	**1,305,285**	**(3,179,492)**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		**1,269,341**	**(3,018,559)**	**1,305,285**	**(3,179,492)**

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	6	2,990,416	2,148,934	2,954,883	2,082,888
Trade and other receivables	7	3,359,215	3,705,714	3,323,879	3,681,055
Financial assets	8	1,824,095	1,817,070	1,824,095	1,817,070
TOTAL CURRENT ASSETS		**8,173,726**	**7,671,718**	**8,102,857**	**7,581,013**
Non-current assets					
Financial assets	8	88,224,828	86,728,033	88,224,848	86,728,053
Intangible assets	9	765,904	291,798	765,904	291,798
Property, plant and equipment	10	4,738,705	5,475,282	4,738,705	5,475,282
Lease incentive receivable	15	3,823,974	4,287,486	3,823,974	4,287,486
TOTAL NON-CURRENT ASSETS		**97,553,411**	**96,782,599**	**97,553,431**	**96,782,619**
TOTAL ASSETS		**105,727,137**	**104,454,317**	**105,656,288**	**104,363,632**
LIABILITIES					
Current liabilities					
Trade and other payables	11	4,854,368	3,779,426	4,764,057	3,680,029
Deferred revenue	12	3,163,258	4,143,125	3,163,258	4,139,375
Short-term provisions	13	2,487,003	2,067,522	2,459,219	2,039,738
TOTAL CURRENT LIABILITIES		**10,504,629**	**9,990,073**	**10,386,534**	**9,859,142**
Non-current liabilities					
Long term provisions	13	74,986	122,551	46,042	122,551
Lease Incentive Payable	15	3,823,974	4,287,486	3,823,974	4,287,486
TOTAL NON-CURRENT LIABILITIES		**3,898,960**	**4,410,037**	**3,870,016**	**4,410,037**
TOTAL LIABILITIES		**14,403,589**	**14,400,110**	**14,256,550**	**14,269,179**
NET ASSETS		**91,323,548**	**90,054,207**	**91,399,738**	**90,094,453**
EQUITY					
Retained earnings		91,323,548	90,054,207	91,399,738	90,094,453
TOTAL EQUITY		**91,323,548**	**90,054,207**	**91,399,738**	**90,094,453**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

CONSOLIDATED	Retained earnings	Asset revaluation reserve	Total
	$	$	$
Balance at 1 July 2015	72,075,341	20,997,425	**93,072,766**
Loss attributable to members of the consolidated group	(3,018,559)	–	**(3,018,559)**
Transfer to Retained earnings	20,997,425	(20,997,425)	**–**
Balance at 1 July 2016	90,054,207	–	**90,054,207**
Profit attributable to members of the consolidated group	1,269,341	–	**1,269,341**
BALANCE AT 30 JUNE 2017	**91,323,548**	**–**	**91,323,548**

PARENT			
Balance at 1 July 2015	72,276,520	20,997,425	**93,273,945**
Loss attributable to members of the parent entity	(3,179,492)	–	**(3,179,492)**
Transfer to Retained earnings	20,997,425	(20,997,425)	**–**
Balance at 1 July 2016	90,094,453	–	**90,094,453**
Profit attributable to members of the parent entity	1,305,285	–	**1,305,285**
BALANCE AT 30 JUNE 2017	**91,399,738**	**–**	**91,399,738**

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from members and others		23,956,419	23,977,699	23,712,027	23,461,856
Receipts from Federal and State Government programs		7,188,569	7,664,223	7,188,569	7,664,224
Payments to suppliers and employees		(33,937,073)	(35,857,173)	(33,662,168)	(35,337,169)
Interest received		64,878	94,172	64,878	94,172
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	19	**(2,727,207)**	**(4,121,079)**	**(2,696,694)**	**(4,116,917)**
CASH FLOW FROM INVESTING ACTIVITIES					
Reinvestment of investment portfolio		3,814,753	(30,261,647)	3,814,753	(30,261,647)
Proceeds from the sale Assets Held For Sale		–	32,941,007	–	32,941,007
Proceeds from the sale of investments		1,091,703	337,302	1,091,703	337,302
Purchase of Investment in Associate		(728,744)	–	(728,744)	–
Payment for purchase of property, plant, equipment and intangible assets		(609,023)	(5,478,402)	(609,023)	(5,478,402)
Proceeds from sale of property, plant, equipment and intangible assets		–	(24,145)	–	(24,145)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		**(3,568,689)**	**(2,485,885)**	**3,568,689**	**(2,485,885)**
Net increase/(decrease) in cash held		841,482	(6,606,964)	871,995	(6,602,802)
Cash at the beginning of the financial year		2,148,934	8,755,898	2,082,888	8,685,690
CASH AT THE END OF THE FINANCIAL YEAR	6	**2,990,416**	**2,148,934**	**2,954,883**	**2,082,888**

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

NOTES TO THE FINANCIAL STATEMENTS

CASH BASIS FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
CASH ASSET IN RESPECT OF RECOVERED MONEY AT BEGINNING OF YEAR		–	–	–	–
Receipts					
Amounts recovered from employers in respect of wages etc.		–	111,227	–	111,227
TOTAL RECEIPTS		**–**	**111,227**	**–**	**111,227**
PAYMENTS					
Payments to workers in respect of recovered money		–	(111,227)	–	(111,227)
TOTAL PAYMENTS		**–**	**(111,227)**	**–**	**(111,227)**
CASH ASSET IN RESPECT OF RECOVERED MONEY AT END OF YEAR		–	–	–	–

The above Statement of Recovery of Wages Activity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of the Victorian Chamber and controlled entities ('Consolidated Group' or 'Group') and the separate financial statements and notes of the Victorian Chamber as an individual parent entity ('Parent Entity').

The financial statements were authorised for issue on 19 October 2017 by the Board of Directors.

ENTITY INFORMATION

The Victorian Chamber is a registered Employer Association under the Fair Work (Registered Organisations) Act 2009, incorporated and domiciled in Australia. The Victorian Chamber is considered a 'reporting unit' for the purposes of section 242 of the Fair Work (Registered Organisations) Act 2009.

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
3. A reporting unit must comply with an application made under subsection (1).

Information prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request.

BASIS OF PREPARATION

Reporting Basis and Conventions

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose of financial statements, the Victorian Chamber is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The financial statements are presented in Australian dollars.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Victorian Chamber) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parents controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its power over the entity. The controlling entities contained in the financial statements are the CCI Victoria Legal Pty Ltd as trustee for the CCI-Victoria Legal Trust (CCI Victoria Legal), VECCI Business Brokers Pty Ltd as trustee for VECCI Business Brokers Trust and VECCI Export Services Pty Ltd.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date of control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b. Income Tax

As a registered Employer Association, the Victorian Chamber is exempt from income tax in accordance with Section 50-15 of the Income Tax Assessment Act 1997.

c. Property, Plant and Equipment

Each class of Leasehold Improvements, Plant and Equipment is carried at cost or fair value less any accumulated depreciation, where applicable.

Leasehold Improvements

Leasehold Improvements is measured on the cost basis less depreciation and impairment losses. The carrying amount of leasehold improvements is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. If any impairment indicators exist, the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to present values in determining the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. If any impairment indicators exist, the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to present values in determining the recoverable amount.

d. Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Useful Life
Leasehold Improvements	10 years
Plant and equipment	4-5 years

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

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

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(iv) Financial Liabilities

Non-derivative financial liabilities, excluding financial guarantees, are subsequently measured at amortised cost using the effective interest rate method.

NOTE 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

f. Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefit incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Group are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Finance leases are depreciated on a straight line basis over their estimated useful lives or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. The discount rate is the interest implicit in the lease.

Operating Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis.

Lease Incentive

Lease incentives are recognised across the term of the lease, unless another systematic basis is representative of the time pattern of the leasee's benefit from the use of the leased asset. The Group recognises the lease incentive payments over the first 5 years on the lease agreement, with a contingent asset and liability amortising the incentive over the full 10 year agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits (as defined in AASB119 Employee Benefits). Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

h. Cash and Cash Equivalents

Cash and cash equivalents include: cash on hand, deposits held at call with banks, and other short-term highly liquid investments which are readily convertible to cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Revenue

(i) Membership Revenue

General Membership Revenue is initially recognised on receipt of payment from the member. Melbourne Chamber of Commerce membership revenue is initially recognised when a sales invoice for membership dues is raised. Subsequent to initial recognition, all membership revenue is recognised on an accruals basis over the twelve month period of the paid membership.

(ii) Training Revenue

Training revenue for scheduled courses is recognised on an accruals basis and recognised in the month that the course is held.

(iii) Other Revenue

Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets. Rental, sponsorship and event income are recognised on an accruals basis.

NOTE 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Revenue (continued)

(iv) Dividend Revenue

Dividend and distribution revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(v) Grant Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

(vi) Professional Services Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of GST.

m. Prior Year Adjustment

The prior year Note 4 incorrectly reported the amounts of Wages, Superannuation, Leave Entitlements and Separation and Redundancy expensed throughout the financial year, along with comparison prior year amounts. The financial year 2016 prior year amounts (Wages $15,623,655, Superannuation $110,855, Leave Entitlements $2,124,863 and Separation and Redundancy $267,072) have been corrected in the current financial year report to Wages $16,001,793, Superannuation $1,305,403, Leave Entitlements $695,142 and Separation and Redundancy $124,117.

These changes have had $nil impact on the Statement of Comprehensive Income and Statement of Financial Position.

n. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

o. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

p. Intangible Assets

Assets relating to information technology, system development and CRM development projects are carried at cost less any accumulated amortisation and impairment losses. These are amortised over their estimated useful life ranging from 2 to 4 years. Assets are capitalised on the balance sheet until such time as they begin deriving economic benefit, at such time they will be amortised on a straight line basis.

q. Project Costs and System Development

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sale the asset; the entity has sufficient resources; and intent to complete the development and its costs can be measured reliably.

Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using straight-line method to allocate the cost of the intangible assets over the estimated useful lives. Amortisation commences when the intangible asset is available for use. Other development expenditure is recognised as an expense when incurred.

r. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

s. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Management are required to exercise judgment in the process of applying accounting policies. In preparing the financial statement the following key judgements were made:

Trade Receivables

Included in trade receivables at the end of the reporting period is an amount receivable from customers during the current financial year amounting to $1,941,349 for the Group and $1,869,513 for the Parent Entity. Management has determined that recoverability of a portion of these debts is uncertain hence a provision for impairment has been made. An assessment of all accounts outstanding for longer than the agreed trading terms has been undertaken.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Investments

Investments in Associates

An associate is an entity that the Group has significant influence but not control. Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates.

The Group made the following investment in associates throughout the financial year:

- Workplace Assured Pty Ltd

The Group had the following investments in associates which were dormant during the period:

- Business Advisory Centre
- Australian Chamber Alliance

Investments in Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to gain benefit from its activities, generally by a shareholding, giving rise to a majority of voting rights. Subsidiaries are consolidated from the date on which control is transferred, and deconsolidated from the date control ceases. In preparing the consolidated financial statements transactions, balances and unrealised gains on transactions between groups are eliminated.

The Group had the following investment associates through the financial year:

- CCI Victorian Legal Pty Ltd
- VECCI Business Broker Pty Ltd
- VECCI Export Services Pty Ltd

u. New Accounting Standards for Application in Future Periods

An assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the association and their potential impact on the association when adopted in future periods is discussed below:

- AASB 9: Financial Instruments (December 2015) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the comment on hedge accounting below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although members of the committee anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017).

This Standard, when effective, will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of AASB 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step model:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the performance obligation is satisfied.

AASB 15 also requires enhanced disclosures regarding revenues. This Standard will require retrospective restatement and is available for early adoption.

The directors anticipate that the adoption of AASB 15 will not have a significant impact on the Group's financial statements.

- AASB 16: Leases

AASB 16 will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB

116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The directors expect that the adoption of AASB 16 will result in lease assets and liabilities being recognised on balance sheet and a change in how related expenses are incurred. The financial impact of this has not yet been determined.

- AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1st January 2019)

AASB 1058 applies to transactions where the consideration to purchase an asset is significantly less than its fair value in order to support the entity to further its objectives. It also applies to volunteer services.

The following are the key requirements in this standard:

- Income arising from the excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets, and revenue should be immediately recognised in profit or loss. For this purpose assets, liabilities and revenue are to be measured in accordance with the applicable standard;
- A liability is recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with other standards. This liability has to be amortised to profit or loss as the entity satisfies its obligations under the transfer; and
- An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services shall be measured at fair value and any excess over the related amounts (such as contribution by owners or revenue) should be immediately recognised in profit or loss.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
a. REVENUE				
Membership and contributors subscriptions	7,005,535	7,098,557	7,005,535	7,098,558
Federal and State Government programs	7,322,857	7,676,094	7,322,857	7,676,094
Professional services	7,954,012	7,834,502	7,731,238	7,635,709
Training	2,883,962	3,322,063	2,883,962	3,322,063
	18,160,831	**18,832,659**	**17,938,057**	**18,633,866**
b. OTHER INCOME				
Income from investments	4,545,266	3,076,893	4,545,265	3,076,891
Gain/(Loss) on financial assets at fair value through profit or loss	3,369,917	(1,656,113)	3,369,917	(1,656,113)
Dividends	925,056	1,078,758	925,056	1,078,758
Other	1,119,462	705,062	1,115,651	663,062
	9,959,701	**3,204,600**	**9,955,899**	**3,162,598**

The Victorian Chamber did not receive capitation fees, donations, compulsory levies or any other financial support during the reporting period. There was no recovery of wages activity during the financial year (2016: $111,227).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: SURPLUS FOR THE YEAR

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Surplus/(Deficit) has been determined after:				
Depreciation and amortisation	849,470	808,928	849,470	808,928
Operating lease rental expense	451,080	414,494	451,080	414,246
Affiliation fees paid to ACCI	613,500	600,000	613,500	600,000
150 Collins Street - Office Rent	1,337,443	1,188,285	1,326,974	1,188,285
Legal expenses	22,316	51,529	142,934	177,158
Consultancy fees	2,288,294	1,387,061	2,277,794	1,345,061
Entertainment package expense	618,606	632,794	618,606	632,794
Remuneration of auditor	97,277	87,250	96,045	76,250

The Victorian Chamber did not incur expenses relating to payroll deductions of membership subscriptions, capitation fees, compulsory levies; grants; fees and/or allowances paid to persons in respect of their attendances as representatives of Victorian Chamber at conferences or other meetings or penalties imposed under the RO Act with respect to the Victorian Chamber's conduct during the reporting period.

The Victorian Chamber incurred $8,746 operating expenses in connection with holding meetings of councils, committees, panels or other bodies for the holding of which the Victorian Chamber was wholly or partly responsible.

NOTE 4: EMPLOYEE EXPENSES

	Employees		Office Bearers		Total	
	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$
CONSOLIDATED						
Wages and salaries	16,721,049	16,050,363	703,232	757,900	**17,424,281**	**16,808,263**
Superannuation	1,295,908	1,331,066	64,598	68,189	**1,360,506**	**1,399,255**
Leave entitlements	513,412	934,192	19,724	6,575	**533,136**	**940,767**
Separation and redundancy	9,936	124,117	–	–	**9,936**	**124,117**
Other employee expenses	–	–	–	–	–	–
	18,540,305	**18,439,738**	**787,554**	**832,664**	**19,327,859**	**19,272,402**
PARENT						
Wages and salaries	16,587,528	16,018,079	703,232	757,900	**17,290,760**	**16,775,979**
Superannuation	1,272,530	1,306,950	64,598	68,189	**1,337,128**	**1,375,139**
Leave entitlements	346,663	695,142	19,724	6,575	**366,387**	**701,717**
Separation and redundancy	9,936	124,117	–	–	**9,936**	**124,117**
Other employee expenses	–	–	–	–	–	–
	18,216,657	**18,144,288**	**787,554**	**832,664**	**19,004,211**	**18,976,952**

There were no other employee expenses incurred for employees or office bearer during 2016 and 2017.

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Directors

	2017	2016
Total number of Directors	9	8

The following persons were directors of Victorian Chamber during the financial year:

Name of Officer	Office Held	Appointed	Resigned
Mr Don Rankin	President/Committee Member	20.11.2007	
Ms Karyn Sobels	Vice President/Committee Chair	22.11.2011	
Mr Mark Birrell	Director/Committee Member	20.11.2007	
Mr Kevin Brown	Director/Committee Chair	27.05.2003	
Ms Kerry Smith	Director	20.11.2012	
Mr Adrian Kloeden	Director/Committee Chair	19.11.2013	
Mr Robert van Stokrom	Director/Committee Member	18.11.2015	
Mr David Richardson	Director/Committee Member	04.04.2016	
Mr Brian Negus	Director/Committee Member	17.11.2016	
Mr Mark Stone	Secretary/Chief Executive	20.06.2011	

b. Directors and key management personnel compensation

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Wages and salaries	703,232	757,900	703,232	757,900
Superannuation	64,598	68,189	64,598	68,189
Annual leave	19,724	6,575	19,724	6,575
	787,554	**832,664**	**787,554**	**832,664**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
CASH AT BANK	2,990,416	2,148,934	2,954,883	2,082,888

Cash at bank includes deposits held in trust for the following purposes: Carnet deposits: $1,452,371 (2016: $807,591); Victorian Chamber Business Brokers: $242 (2016: $1,184); business migration: $38,118 (2016: $37,019); and grant funding: $99,645 (2016: $240,653).

NOTE 7: TRADE AND OTHER RECEIVABLES

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
CURRENT					
Trade receivables		1,941,349	2,145,101	1,869,513	2,081,891
Less: Impairment		(101,917)	(108,930)	(100,607)	(107,071)
		1,839,432	**2,036,171**	**1,768,906**	**1,974,820**
OTHER RECEIVABLES					
Accrued income		342,774	404,869	342,774	404,869
Prepayments		927,956	806,568	920,120	795,358
GST paid		106,645	101,802	100,276	98,517
Other debtors		142,408	356,304	142,798	358,486
		1,519,783	**1,669,543**	**1,505,968**	**1,657,230**
Amounts receivable from controlled entity	7a	–	–	1,304,680	1,304,680
Impairment of related party receivables		–	–	(1,255,675)	(1,255,675)
		3,359,215	**3,705,714**	**3,323,879**	**3,681,055**

Other receivables include: GST paid, prepayments and sundry debtors. At parent level, trade debtors include $7,394 receivable from the CCI – Victoria Legal Trust (2016: $215), $26,689 receivable from VECCI Export Services (2016: $26,400) and $1,851 receivable from VECCI Business Brokers (2016: nil).

a. Controlled Entities

Unsecured loans made to CCI - Victoria Legal Trust $1,255,675 (fully provided for) (2015: $1,255,675) and VECCI Business Brokers $79,005 (2015: $79,005) are interest free.

b. Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

NOTE 7: TRADE AND OTHER RECEIVABLES (continued)

	Gross amount	Past due and impaired	Within initial trade terms (age in days)		Past due but not impaired (age in days)	
			< 30	31–60	61–90	> 90
	$	$	$	$	$	$
CONSOLIDATED						
2017						
Trade receivables	1,941,349	101,917	994,923	218,869	195,576	430,064
Other receivables	1,519,783	–	1,519,783	–	–	–
Amounts receivable from controlled entity	–	–	–	–	–	–
	3,461,132	**101,917**	**2,514,706**	**218,869**	**195,576**	**430,064**
2016						
Trade receivables	2,145,101	108,930	1,385,345	234,949	102,567	313,310
Other receivables	1,669,543	–	1,669,543	–	–	–
Amounts receivable from controlled entity	–	–	–	–	–	–
	3,814,644	**108,930**	**3,054,888**	**234,949**	**102,567**	**313,310**
PARENT						
2017						
Trade receivables	1,869,513	100,607	950,786	220,794	189,546	407,780
Other receivables	1,505,968	–	1,505,968	–	–	–
Amounts receivable from controlled entity	1,304,680	1,255,675	–	–	–	49,005
	4,680,161	**1,356,282**	**2,456,754**	**220,794**	**189,546**	**456,785**
2016						
Trade receivables	2,081,891	107,071	1,360,381	216,235	101,558	296,646
Other receivables	1,657,230	–	1,657,230	–	–	–
Amounts receivable from controlled entity	1,304,680	1,255,675	–	–	–	49,005
	5,043,801	**1,362,746**	**3,017,611**	**216,235**	**101,558**	**345,651**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: TRADE AND OTHER RECEIVABLES (continued)

	Provision for impairment of receivables
	$
CONSOLIDATED GROUP	
Carrying amount at 30 June 2015	57,763
Charge for the year	54,462
Amounts written off	(3,295)
Carrying amount at 30 June 2016	108,930
Charge for the year	61,174
Amounts written off	(68,187)
CARRYING AMOUNT AT 30 JUNE 2017	**101,917**
PARENT	
Carrying amount at 30 June 2015	55,903
Charge for the year	54,462
Amounts written off	(3,295)
Carrying amount at 30 June 2016	107,070
Charge for the year	59,862
Amounts written off	(66,325)
CARRYING AMOUNT AT 30 JUNE 2017	**100,607**

NOTE 8: FINANCIAL ASSETS

	Note	Consolidated		Parent	
		2017	2016	2017	2016
		$	$	$	$
CURRENT					
Term deposits – Held to Maturity	20	1,824,095	1,817,070	1,824,095	1,817,070
NON-CURRENT					
Managed investments at fair value through profit or loss	20	54,728,105	54,640,069	54,728,105	54,640,069
Managed investments held for trading	20	33,496,613	32,087,854	33,496,613	32,087,854
Investments in subsidiaries		–	–	20	20
Investments in associates		110	110	110	110
		88,224,828	**86,728,033**	**88,224,848**	**86,728,053**

a. Held to maturity

Assets to be held until maturity are classified as such when the Group is able to, and intends to, hold the asset until their fixed maturity date.

b. Managed investments held for trading

Assets purchased for the purpose of selling or repurchasing in the near term, and assets that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit taking are classified as held for trading. All other assets are held at fair value through protfit and loss.

NOTE 9: INTANGIBLE ASSETS

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
NON-CURRENT				
Software – At cost	882,907	882,907	824,097	824,097
Project costs and system development – At cost	456,738	456,738	456,738	456,738
Accumulated amortisation	(1,245,356)	(1,160,897)	(1,186,546)	(1,102,087)
Project Member One (in progress)	1,292,021	620,406	1,292,021	620,406
Impairment	(620,406)	(507,356)	(620,406)	(507,356)
	765,904	**291,798**	**765,904**	**291,798**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: INTANGIBLE ASSETS (continued)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year.

SYSTEM DEVELOPMENT AND COMPUTER SOFTWARE

	Computer software	System development	Member1 (In progress)	Total
	$	$	$	$
CONSOLIDATED GROUP				
Carrying amount at 30 June 2015	78,063	3,862	100,000	**181,925**
Additions	217,082	58,400	13,050	**288,532**
Deductions	–	–	–	**–**
Disposals	(642)	(102,618)	–	**(103,260)**
Impairments/Amortisation expense	(154,054)	78,655	–	**(75,399)**
CARRYING AMOUNT AT 30 JUNE 2016	**140,449**	**38,299**	**113,050**	**291,798**
Additions	–	–	671,615	**671,615**
Deductions	–	–	–	**–**
Disposals	–	–	(13,050)	**(13,050)**
Impairments/Amortisation expense	(66,542)	(17,917)	(100,000)	**(184,459)**
CARRYING AMOUNT AT 30 JUNE 2017	**73,907**	**20,382**	**671,615**	**765,904**
PARENT ENTITY				
Carrying amount at 30 June 2015	78,063	3,862	100,000	**181,925**
Additions	217,082	58,400	13,050	**288,532**
Deductions	–	–	–	**–**
Disposals	(642)	(102,618)		**(103,260)**
Impairments/Amortisation expense	(154,054)	78,655	–	**(75,399)**
CARRYING AMOUNT AT 30 JUNE 2016	**140,449**	**38,299**	**113,050**	**291,798**
Additions	–	–	671,615	**671,615**
Deductions	–	–	–	**–**
Disposals	–	–	(13,050)	**(13,050)**
Impairments/Amortisation expense	(66,542)	(17,917)	(100,000)	**(184,459)**
CARRYING AMOUNT AT 30 JUNE 2017	**73,907**	**20,382**	**671,615**	**765,904**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
LEASEHOLD IMPROVEMENTS				
Leasehold Improvements	5,180,896	5,177,483	5,180,896	5,177,483
Accumulated depreciation	(899,252)	(384,183)	(899,252)	(384,183)
TOTAL LEASEHOLD IMPROVEMENTS	**4,281,644**	**4,793,300**	**4,281,644**	**4,793,300**
PLANT AND EQUIPMENT				
Plant and equipment at cost	1,462,979	1,463,536	1,462,979	1,437,958
Accumulated depreciation	(1,005,918)	(781,554)	(1,005,918)	(755,976)
TOTAL PLANT AND EQUIPMENT	457,061	681,982	457,061	681,982
TOTAL PROPERTY, PLANT AND EQUIPMENT	**4,738,705**	**5,475,282**	**4,738,705**	**5,475,282**

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Leasehold Improvements	Plant and Equipment	Total
	$	$	$
CONSOLIDATED GROUP			
Carrying amount at 30 June 2015	281,727	673,968	**955,695**
Additions	4,894,522	299,056	**5,193,578**
Revaluation	–	–	**–**
Impairment	–	–	**–**
Transfer to Assets Held for Sale	–	–	**–**
Disposals/Write back of assets	(1,464)	57,304	**55,840**
Depreciation expense	(381,485)	(348,346)	**(729,831)**
CARRYING AMOUNT AT 30 JUNE 2016	**4,793,300**	**681,982**	**5,475,282**
Additions	3,413	71,135	**74,548**
Revaluation	–	–	**–**
Impairment	–	–	**–**
Assets Held for Sale	–	–	**–**
Disposals/Write back of assets	–	(46,114)	**(46,114)**
Depreciation expense	(515,070)	(249,941)	**(765,011)**
CARRYING AMOUNT AT 30 JUNE 2017	**4,281,643**	**457,062**	**4,738,705**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: TRADE PAYABLES

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
CURRENT				
Unsecured Liabilities				
Trade Payables	607,047	948,826	575,472	908,415
Sundry payables and accrued expenses	2,029,422	1,340,591	1,978,407	1,286,387
Payables to employees	465,528	382,418	457,807	377,636
Carnet deposits held in trust	1,752,371	1,107,591	1,752,371	1,107,591
	4,854,368	**3,779,426**	**4,764,057**	**3,680,029**

At the balance date, there were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions.

NOTE 12: DEFERRED REVENUE

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
CURRENT				
Deferred membership revenue	2,693,278	3,362,543	2,693,278	3,362,543
Deferred training revenue	194,118	192,425	194,118	192,425
Deferred grant revenue	121,119	255,406	121,119	255,406
Other deferred revenue	154,743	332,751	154,743	329,001
	3,163,258	**4,143,125**	**3,163,258**	**4,139,375**

NOTE 13: PROVISIONS

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
CURRENT				
Annual leave - employees	830,507	850,936	802,723	823,152
Annual leave - office bearers	40,840	64,340	40,840	64,340
Long service leave - employees	956,684	890,181	956,684	890,181
Long service leave - office bearers	37,230	–	37,230	–
Make good provisions	71,005	–	71,005	–
Onerous lease provisions	120,737	–	120,737	–
Bonus provisions	430,000	262,065	430,000	262,065
	2,487,003	**2,067,522**	**2,459,219**	**2,039,738**
NON CURRENT				
Long service leave - employees	74,986	106,765	46,042	106,765
Long service leave - office bearers	–	15,786	–	15,786
	74,986	**122,551**	**46,042**	**122,551**

	Annual Leave	Long Service Leave	Make Good Provisions	Onerous Lease Provisions	Bonus Provisions	Total
	$	$	$	$	$	$
CONSOLIDATED GROUP						
Carrying amount at 30 June 2016	915,276	1,012,732	–	–	262,065	**2,190,073**
Additional provisions	1,103,341	188,158	71,005	120,737	430,000	**1,913,241**
Amounts used	(1,147,270)	(131,990)	–	–	262,065	**(1,541,325)**
CARRYING AMOUNT AT 30 JUNE 2017	**871,347**	**1,068,900**	**71,005**	**120,737**	**430,000**	**2,561,989**
PARENT ENTITY						
Carrying amount at 30 June 2016	887,492	1,012,732	–	–	262,065	**2,162,289**
Additional provisions	1,085,378	159,215	71,005	120,737	430,000	**1,866,335**
Amounts used	(1,129,307)	(131,990)	–	–	262,065	**(1,523,363)**
CARRYING AMOUNT AT 30 JUNE 2017	**843,563**	**1,039,956**	**71,005**	**120,737**	**430,000**	**2,505,261**

There were no further provisions for employees or officers including separation and redundancy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: RESERVES AND RETAINED PROFITS

a. Restriction of Reserves and Retained profits

The retained profits and reserves are not available for distribution to members. The retained profits are available for the operations of the Group. In the event of the Group winding up, the retained profits and reserves shall be given or transferred to some other institution or institutions in compliance with Victorian Chamber's rules (rule 48).

NOTE 15: CAPITAL AND LEASING COMMITMENTS

a. Operating Lease Commitments

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Non-cancellable operating leases contracted for are in the financial statements				
– not later than 1 year	1,731,899	1,712,760	1,731,899	1,712,760
– later than 1 year but not later than 5 years	7,513,788	7,161,840	7,513,788	7,161,840
	9,245,687	**8,874,600**	**9,245,687**	**8,874,600**

b. Operating Lease Incentive

During the 2016 Financial Year, the Victorian Chamber entered into an agreement to lease office premises in Melbourne. This lease includes a lease incentive of $4,635,120 which will be provided to the Victorian Chamber over the first 5 years of the lease. The lease is contingent on the Victorian Chamber remaining at the premises for the full 10 year lease period. The remaining portion of the lease incentive is reflected in the Statement of Financial Position and will be amortised over the life of the lease. No renewal clause has been entered into.

	Consolidated		Parent	
	2018	2017	2018	2017
	$	$	$	$
Lease incentive amortised over life of lease				
– not later than 1 year	463,512	463,512	463,512	463,512
– later than 1 year but not later than 10 years	3,360,462	3,823,974	3,360,462	3,823,974
	3,823,974	**4,287,486**	**3,823,974**	**4,287,486**

NOTE 16: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

PITCHER PARTNERS

During the financial year, the Victorian Chamber made payments to Pitcher Partners of $219,285 (2016: $93,563) in respect of professional advisory and tax services and portfolio management services performed and received payments from Pitcher Partners of $107,725 (2016: 113,612) in respect of membership, sponsorship, consulting, events and training work performed. Don Rankin (President), was a Director at Pitcher Partners during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, $2,335 was still outstanding in the Groups debtor ledger.

AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY (ACCI)

During the financial year, the Victorian Chamber made payments to ACCI of $816,686 (2016:$ 1,126,282) in respect of affiliation fees and contributions towards rebranding work and received payments from ACCI of $40,203 (2016: $5,500) in respect of consulting, events and training work performed. Don Rankin (President), Mark Stone (Chief Executive) and Mark Birrell (Board member) were Board members of the entity during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June $88 was still unpaid in the Groups creditor ledger, and $60,516 was outstanding in the Groups debtor ledger.

INFRASTRUCTURE PARTNERSHIPS AUSTRALIA (IPA)

During the financial year, the Victorian Chamber made payments to IPA of $26,640 (2016: $28,050) in respect of membership subscriptions. Adrian Kloeden (Director) was Chairman of the entity during the financial year. All services rendered were made on an arm's length commercial basis

DFP RECRUITMENT SERVICES (DFP)

During the financial year, the Victorian Chamber made payments to DFP of $83,584 (2016: $39,536) in respect of recruitment services and received payments from DFP of $95,000 (2016: $65,283) in respect of membership, sponsorship, consulting, events and training work performed. Robert van Stokrom (Director) was Chief Executive Officer of the entity during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, $3,996 was still unpaid in the Groups creditor ledger.

PORT OF MELBOURNE CORPORATION (PMC)

During the financial year, the Victorian Chamber received payments from the Port of Melbourne Corporation of $25,000 (2016: $160) in respect of membership, consulting, events and training work performed. Mark Birrell (Immediate Past President) was Chairman of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

RPM REAL ESTATE GROUP (RPM)

During the financial year, the Victorian Chamber made payments to RPM of $3,000 (2016: nil) in respect of internship placement and received payments from RPM of $660 (2016: $9,688) in respect of membership, consulting, events and training work performed. Kevin Brown (Director) was Chief Executive Officer of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

SERCO ASIA PACIFIC (SERCO)

During the financial year, the Victorian Chamber received payments from Serco of $1,076 (2016: $1,080) in respect of membership, consulting, events and training work performed. Adrian Kloeden (Director) was Chairman of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

SIMPLY BUSINESS

During the financial year, the Victorian Chamber received payments from Simply Business of nil (2016: $1,445). Prior year payments in respect of membership, consulting, events and training work performed. Karyn Sobels (Director) was the owner of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

PFD FOODS (PFD)

During the financial year, the Victorian Chamber made payments to PFD of $3,000 (2016: nil) in respect of internship placement and received payments from PFD of $140,451 (2016: $28,535) in respect of membership, consulting, events and training work performed. Kerry Smith (Director) was Chief Executive Officer of the entity during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, $29,606 was still outstanding in the Groups debtor ledger.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 16: RELATED PARTY TRANSACTIONS (continued)

STRATEGEM FINANCIAL GROUP (SFG)

During the financial year, the Victorian Chamber received payments from SFG of $1,100 (2016: $1,800) in respect of membership, consulting, events and training work performed. David Richardson (Director) was Chief Executive Officer of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

SKS HUB PTY LTD (SKS)

During the financial year, the Victorian Chamber received payments from SKS of $3,769 (2016: nil) in respect of membership, consulting, events and training work performed. Karyn Sobels (Director) was a Director of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

COLIBAN WATER AUTHORITY

During the financial year, the Victorian Chamber received payments from Coliban Water Authority of $13,560 (2016: nil) in respect of consulting, events and training work performed. David Richardson (Director) was a Director of the entity during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, $10,130 was still outstanding in the Groups debtor ledger.

CGVT AUSTRALIA (CGVT)

During the financial year, the Victorian Chamber received payments from CGVT of $3,914 (2016: nil) in respect of membership, consulting, events and training work performed. David Richardson (Director) was a Director of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

ECHIDNA HOLDINGS

During the financial year, the Victorian Chamber received payments from Echidna of $644 (2016: nil) in respect of membership, consulting, events and training work performed. David Richardson (Director) was Chief Executive of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

DEAKIN UNIVERSITY

During the financial year, the Victorian Chamber made payments to Deakin of $9,618 (2016: nil) in respect of catering and venue hire fees and received payments from Deakin of $51,285 (2016: nil) in respect of membership, consulting, events and training work performed. David Richardson (Director) was Partnership Manager of the Deakin University, Bendigo during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June $16,500 was still outstanding in the Groups debtor ledger.

RCSA

During the financial year, the Victorian Chamber received payments from RCSA of $177 (2016: nil) in respect of consulting, events and training work performed. Robert van Stokrom (Director) was National President and Board Member of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

AUSTRALIAN INSTITUTE OF MANAGEMENT (AIM)

During the financial year, the Victorian Chamber received payments from AIM of $1,076 (2016: nil) in respect of membership, consulting, events and training work performed. Robert van Stokrom (Director) was a Fellow of the entity during the financial year. All services rendered were made on an arm's length commercial basis.

RELATED PARTY MEMBER TRANSACTIONS

The principle companies of which the Victorian Chamber office holders and Executive Council members are proprietor, partner, director, general manager, manager or secretary are required to hold a fully paid-up Victorian Chamber membership under Victorian Chamber rules.

NOTE 17: INTERESTS IN SUBSIDIARIES

a. Information about Principle Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principle place of business is also its country of incorporation.

Name of Subsidiary	Place of Principal Place of Business	Ownership Interest Held by the Group	
		2017	2016
		%	%
CCI Victoria Legal Pty Ltd	Melbourne, Australia	100	100
VECCI Business Brokers Pty Ltd	Melbourne, Australia	100	100
VECCI Export Services Pty Ltd	Melbourne, Australia	100	100

There are no non-controlling interests outside of the Group

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements

b. Significant Restrictions

There are no significant restrictions over subsidiaries

TRANSACTIONS BETWEEN SUBSIDARIES

The Victorian Chamber is the ultimate parent company of CCI Victoria Legal Trust, VECCI Business Brokers Pty Ltd, VECCI Business Brokers Trust and VECCI Export Services Pty Ltd. During the financial year, the Victorian Chamber made payments of $151,861 to CCI Victoria Legal Trust (2016: $141,274), nil payments to VECCI Business Brokers Pty Ltd (2016: nil) and nil payments to VECCI Export Services Pty Ltd (2016: nil). During the financial year, the Victorian Chamber received $45,364 from CCI Victoria Legal trust (2016: $38,024), nil receipts from VECCI Business Brokers (2016: nil) and nil receipts from VECCI Export Services Pty Ltd (2016: nil).

As at 30 June 2017, the Victorian Chamber has outstanding loan balances with CCI Victoria Legal Trust of $ 1,225,675 (Fully provided for) (2016: $1,225,675) and VECCI Business Brokers Pty Ltd of $79,005 (2016: $79,005). The Group assesses whether there is objective evidence that the loan balances have been impaired at each reporting date, and as such, an impairment has been raised against the outstanding loan balance with CCI Victoria Legal Trust in prior years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: INTEREST IN ASSOCIATE

a. Information about Associate

On the 31 December 2016, the Victorian Chamber purchased a 49% shareholding in Workplace Assured Pty Ltd (ACN: 612 651 966). Workplace Assured Pty Ltd is a national business offering a complete workplace relations solution for small to medium business. This investment will be accounted for using the equity method.

Name of Associate	Place of Principal Place of Business	% Ownership interest held by the group	Principal Activities
Workplace Assured Pty Ltd	Sydney, Australia	49%	Employment Insurance

b. Summarised financial information about the Associate

	2017	2016
Current Assets	177,964	–
Total Assets	177,964	–
Current Liabilities	(1,778,970)	–
Total Liabilities	(1,778,970)	–
Net Assets	(1,601,006)	–

	2017	2016
Revenue	756,402	–
Expenses	(3,845,641)	–
Profit/(loss)	(3,089,239)	–
Share of Profit/(Loss)	(1,362,512)	–

During the year the entity's share of losses from it's associate was $1,362,512, which is more than the carrying amount of $728,744. Therefore the carrying amount of the associate has been written down to nil. For this reporting period the entity's unrecognised share of losses from it's associate is $633,768.

There are no non-controlling interests outside of the Group

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statement.

There are no significant restrictions over the associates.

Transactions between Associates

During the financial year, the Victorian Chamber received payments from Workplace Assured Pty Ltd of $112,362 (2016: nil) in respect of services performed. Mark Stone (Secretary) was a Director at Workplace Assured Pty Ltd during the financial year. All services rendered were made on an arm's length commercial basis in accordance to the shareholders' agreement.

NOTE 19: CASH FLOW INFORMATION

	Consolidated		Parent	
	2017	2016	2017	2016
	$	$	$	$
Surplus/(defecit) after income tax	1,269,341	(3,018,559)	1,305,285	(3,179,492)
Non-cash flows:				
— Depreciation and Amortisation	871,495	808,928	871,495	808,928
— Provision for Bad Debts	61,176	54,462	59,862	54,462
— Impairment losses	–	–	–	–
— Change in fair value of investments	(4,461,620)	978,012	(4,461,620)	978,012
— Investment income reinvested	(925,057)	(2,669,762)	(925,056)	(2,669,762)
— Interest income reinvested	(294,856)	(762,617)	(294,856)	(762,617)
Changes in assets and liabilities:				
Decrease in receivables and prepayments	285,325	1,386,594	297,315	1,608,002
Decrease in payables and deferred income	(166,990)	(1,183,681)	(154,154)	(1,232,307)
Increase in provisions	633,980	285,544	605,037	277,857
CASH FLOWS USED IN OPERATING ACTIVITIES	**(2,727,207)**	**(4,121,079)**	**(2,696,694)**	**(4,116,917)**

NOTE 20: FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments in term-deposits, managed investments portfolios, accounts receivable and payable, loans to and from subsidiaries, and leases. The Group does not speculate in the trading of financial instruments.

i. Investment Risk Management

The Investment Committee, consisting of directors and executives of the Group, engaged independent external consultants Pitcher Partners and Emerge Capital as its investment managers during the financial year to provide professional advice with respect to the Group's investments. The Committee and investment manager meet on a regular basis to analyse financial risk exposure and to evaluate investment management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Investment Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board of Directors on a regular basis.

The current investment strategy is conservative focussed on achieving medium to long term investment gains.

ii. Financial Risk Exposures and Management

The main risks the Group are exposed to through its financial instruments are market risk, interest rate risk, price risk and credit risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

a. Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the weighted average interest rate for classes of financial assets and financial liabilities (calculated using the applicable interest rates and balances during the financial year), is set out below:

Cash and Interest Rates

Consolidated	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	$	$	$	$	$	$	$	$
FINANCIAL ASSETS										
Cash at bank	0.87	1.88	2,990,416	2,148,934	–	–	–	–	2,990,416	2,148,934
Financial assets - term deposits	2.45	2.06	–	–	1,824,095	1,817,070	–	–	1,824,095	1,817,070
Financial assets - unlisted securities			–	–	–	–	–	–	–	–
Financial assets - managed investments			5,830,748	27,374,965	17,398,991	17,072,658	64,994,979	42,280,300	88,224,718	86,727,923
Trade and other receivables			–	–	–	–	3,359,215	3,755,378	3,359,215	3,755,378
TOTAL FINANCIAL ASSETS			**8,821,164**	**29,523,899**	**19,223,086**	**18,889,728**	**68,354,194**	**46,035,678**	**96,398,444**	**94,449,305**
FINANCIAL LIABILITIES										
Trade and other payables			–	–	–	–	4,854,368	4,053,165	4,854,368	4,053,165
TOTAL FINANCIAL LIABILITIES			**–**	**–**	**–**	**–**	**4,854,368**	**4,053,165**	**4,854,368**	**4,053,165**

Parent	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	$	$	$	$	$	$	$	$
FINANCIAL ASSETS										
Cash at bank	0.87	1.88	2,954,883	2,082,888	–	–	–	–	2,954,883	2,082,888
Financial assets - term deposits	2.45	2.06	–	–	1,824,095	1,817,070	–	–	1,824,095	1,817,070
Financial assets - unlisted securities			–	–	–	–	–	–	–	–
Financial assets - managed investments			5,830,748	27,374,965	17,398,991	17,072,658	64,994,979	42,280,300	88,224,718	86,727,923
Trade and other receivables			–	–	–	–	3,323,879	3,930,440	3,323,879	3,930,440
TOTAL FINANCIAL ASSETS			8,785,631	29,457,853	19,223,086	18,889,728	68,318,858	46,210,740	96,327,575	94,558,321
FINANCIAL LIABILITIES										
Trade and other payables			–	–	–	–	4,764,057	3,942,094	4,764,057	3,942,094
TOTAL FINANCIAL LIABILITIES			**–**	**–**	**–**	**–**	**4,764,057**	**3,942,094**	**4,764,057**	**3,942,094**

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

b. Market Risk

The maximum exposure to market risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market price of the financial instruments, amounts to the value of the financial instrument as disclosed in the Statement of Financial Position. Refer to the sensitivity analysis below at note 20 (f).

c. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

Details with respect to credit risk of trade and other receivables are detailed in note 7 (b).

The exposure to credit risk is low due to all cash balances and deposits held at Australian banks with strong credit risk and deposit ratings.

d. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group does not have a significant liquidity risk. The only financial liabilities are trade and other payables to the value of $4,854,368 (2016: $4,053,165) which are due for payment within 1 year. With cash equalling $2,990,416 (2016: $2,148,934), and liquid assets of $5,785,485 (2016: $27,374,965) held in financial assets – managed investment, the Group has sufficient financial and liquid assets available to meet its debts as and when they fall due.

e. Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. At 30 June 2017, 8% of its investment portfolio was held in overseas interests although it is not considered that this exposes the Group to any material foreign exchange risk.

f. Sensitivity Analysis

The Group does not have any borrowings and therefore the main exposure would be in market risk due to price movements of investments. The following table summarises the sensitivity of the Group's and the Parent's non-interest bearing financial assets to the movement in the market.

Carrying value of non-current non-interest bearing financial assets at fair value at 30 June 2017 is $64,994,979 (2016: $42,280,300).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

		Profit $		Equity $
CONSOLIDATED GROUP				
Year ended 30 June 2017				
Fair value on 3% movement	+/–	1,949,849	+/–	1,949,849
Fair value on 5% movement	+/–	3,249,749	+/–	3,249,749
Fair value on 10% movement	+/–	6,499,498	+/–	6,499,498
Year ended 30 June 2016				
Fair value on 3% movement	+/–	1,268,409	+/–	1,268,409
Fair value on 5% movement	+/–	2,114,015	+/–	2,114,015
Fair value on 10% movement	+/–	4,228,030	+/–	4,228,030

Price risk relates to the risk that the fair value of a financial instrument and future cash flows will fluctuate because of changes in market prices of securities held. Such risk is managed through diversification of investments across industries and geographic locations. The Group's managed investments are held in the following financial assets at the end of the reporting period.

	2017	2016
Cash	7%	32%
Fixed Interest	20%	20%
Australian Shares	22%	21%
Overseas Shares	7%	7%
Australian property	3%	3%
Overseas Property	1%	1%
Unlisted Property	35%	12%
Alternatives	5%	4%

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

f. Sensitivity Analysis (continued)

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

		Profit $		Equity $
CONSOLIDATED GROUP				
Year ended 30 June 2017				
2% in interest rate	+/–	176,423	+/–	176,423
10 % in listed investments	+/–	6,499,498	+/–	6,499,498
Year ended 30 June 2016				
2% in interest rate	+/–	590,478	+/–	590,478
10 % in listed investments	+/–	4,228,030	+/–	4,228,030

NOTE 21: FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

– Financial assets at fair value through profit and loss;

The Group does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

NOTE 21: FAIR VALUE MEASUREMENTS (continued)

VALUATION TECHNIQUES

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

RECURRING FAIR VALUE MEASUREMENTS

	Level 1	Level 2	Level 3	Total
	$	$	$	$
CONSOLIDATED GROUP 2017				
Financial assets				
– Managed investments at fair value through profit or loss	88,224,718	–	–	88,224,718
CONSOLIDATED GROUP 2016				
Financial assets				
– Managed investments at fair value through profit or loss	86,727,923	–	–	86,727,923
PARENT 2017				
Financial assets				
– Managed investments at fair value through profit or loss	88,224,718	–	–	88,224,718
PARENT 2016				
Financial assets				
– Managed investments at fair value through profit or loss	86,727,923	–	–	86,727,923

NOTE 21: FAIR VALUE MEASUREMENTS (continued)

There has been no change in the valuation techniques used to calculate the fair values disclosed in the financial statements.

There has been no transfers between fair value hierarchies during the year.

NOTE 22: ASSOCIATION DETAILS

The registered office and principal place of business of the Victorian Chamber is:

Victorian Chamber of Commerce and Industry (Victorian Chamber)
150 Collins Street
MELBOURNE VIC 3000

The principal activities of the Victorian Chamber during the financial year were to assist the interests of Victorian business members and contributors via representation and advocacy to Government and policy makers along with providing membership services primarily involving Industrial Relations, information, advice, networking and value added professional services.

NOTE 23: ADDITIONAL DISCLOSURES - S253 OF FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 ("RO Act") Reporting Guidelines, the following disclosures are made:

- The Victorian Chamber's ability to continue as a going concern is not reliant on the agreed financial support of another entity. The Victorian Chamber has agreed to provide financial assistance to its subsidiaries the CCI – Victoria Legal Trust, VECCI Business Brokers Pty Ltd, VECCI Business Brokers Trust and Victorian Chamber Export Services Pty Ltd in order for each subsidiary to be able to pay its debts as and when they become payable. The Victorian Chamber also confirms that it will not call on or require repayment of any loans (whether in whole or in part) at any time within 12 months after the date of the signing of the audit report for each subsidiary named above for the Year Ended 30 June 2017, to the extent that the ability of the subsidiary entity to continue as a going concern would be adversely affected.
- The Victorian Chamber has not acquired any assets or liabilities during the financial year as a result of an amalgamation under Part 2 of Chapter 3 of the RO Act in which it was the amalgamated organisation; a restructure; a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure; or a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).
- The Victorian Chamber was not involved in a business combination during the financial year.
- No funds or accounts were operated in respect of compulsory levies or voluntary contributions.
- No funds or accounts were operated that were required by the Victorian Chamber rules. There were no funds, accounts or controlled entities kept for a specific purpose.

COMMITTEE OF MANAGEMENT STATEMENT

On 19 October 2017, the Members of the Committee of Management (Board of Directors) of the Victorian Chamber passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial Year Ended 30 June 2017.

The Board of Directors declares in relation to the general purpose financial report that in its opinion:

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

(b) The financial statements and notes comply with the reporting guidelines of the General Manager;

(c) The financial statements and notes give a true and fair view of the financial position as at 30 June 2017 and of the performance and cash flows for the year ended on that date for the reporting unit;

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

(e) During the financial year to which the general purpose financial report relates and since the end of that year:

i. meetings of the board of directors were held in accordance with the rules of the organisation including the rules of a branch concerned;

ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;

iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ("RO Act");

iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

v. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager;

vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) During the financial year there was no recovery of wages.

This declaration is made in accordance with a resolution of the Committee of Management.
For Board of Directors:

Name: Mark Stone AM
Title of Office held: Secretary and Chief Executive

Signature:



Date: 19 October 2017

Name: Don Rankin
Title of Office held: President

Signature:



Date: 19 October 2017

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INDEPENENT AUDIT REPORT TO THE MEMBERS OF VICTORIAN CHAMBER OF COMMERCE AND INDUSTRY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Victorian Chamber of Commerce and Industry, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Victorian Chamber of Commerce and Industry as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and
b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

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 are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management 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 Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have a realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

The scope of our work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 30 June 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 20 October 2017

Registration number: AA2017/54


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