



Victorian
Chamber of Commerce
and Industry

The Victorian Chamber of Commerce & Industry

ANNUAL REPORT

2020-2021

victorianchamber.com.au

Victorian Chamber of Commerce and Industry
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FROM THE PRESIDENT

Karyn Sobels



"Despite the challenges that the year has thrown at the Victorian Chamber, we have ensured we have supported our members at every step. We have also invested in our team which means we are well resourced to provide the best possible service for our members."

KARYN SOBELS

Once again, we have experienced a year like no other. At the end of 2020 we thought we were moving into a COVID Normal phase and quickly discovered the battle was far from over.

As Victoria's largest and most influential representative business organisation, our role has been to advocate for the views of business to be heard and considered, as we build an environment where businesses can flourish to ensure the Victorian economy returns to being Australia's engine room.

It is our role not just to have a strong voice, but to work with governments to communicate the business needs of the state and present options for the future.

With every lockdown endured and restriction applied, a raft of new issues emerged for business to adapt to, from workplace relations, differing awards and health and safety obligations, to understanding the various government supports available. Additional complications existed for our members who do business across state borders, as they were further challenged to simultaneously understand and implement the requirements in different jurisdictions.

The year has delivered devastation for many businesses – some have already gone while others will sadly follow.

Many of our members have toiled ceaselessly just to maintain their viability, but they will survive. Others have indeed thrived in this environment, and as one of our members noted, 'constraint promotes creativity.' This is our beacon of hope: Victorian businesses can drive forward once again to be an economic powerhouse.

VCCI has been on these journeys with our members. Working under the same constraints as many Victorians, our team has worked tirelessly to adapt, evolve and inform the business community. I would like to extend my deepest thanks and appreciation to the entire Victorian Chamber team for their work this year, often needing to produce results in a shifting environment with little or no notice. Despite these difficulties, the quality of their work and the support and tools provided to members has been outstanding.

I would also like to thank our Vice President, Adrian Kloeden, our CEO, Paul Guerra, the VCCI Board and Executive Council members for their very generous support and endless contributions to the efforts of the Chamber. At a time when new paths are being forged every day, the importance of the broad range of contributions from this group cannot be understated.

Despite the challenges that the year has thrown at the Victorian Chamber, we have ensured we have supported our members at every step. We have also invested in our team which means we are well resourced to provide the best possible service for our members.

Our membership, client base and revenue have all grown and we became more targeted in our support for apprentices in this state. The Chamber team also realigned our strategy and values to set us up for success to provide improved support for members and clients next year as we continue to evolve and modernise our offering.

Our work with both State and Federal Governments over the past year has led to vital support for business. This has included various business grants and support programs including the Business Recovery and Resilience Mentoring Program, which has seen thousands of Victorian businesses supporting other Victorian businesses - and incentive programs for employers to engage apprentices to help us prepare for the rebuild.

The Victorian Chamber enjoys consistent and regular access to key Ministers at both a Federal and State level because of our membership base and our standing in how we choose to engage. We have ensured that our members interests are at the core of every conversation and their insights play a crucial role in informing our position.

I also take this opportunity on behalf of the Victorian business community, to thank our health teams in Victoria, a number of whom are our members, for their sustained efforts and diligence in supporting the community through COVID-19 in addition to their usual workload. They have been doing their jobs under enormous pressure for such a prolonged period and are the real heroes - thank you.

We thank our federal counterpart, the Australian Chamber of Commerce and Industry (ACCI) for their integral role in the Chamber's representations on the national stage and look forward to working closely with the incoming CEO, Andrew McKellar who was appointed in March 2021.

As we move to living with COVID-19, the issues associated with restarting, including continued restrictions and constraints, supply chain issues, workforce shortages, border confusion and quarantine questions will continue to challenge us all. The Victorian Chamber will continue to confront these challenges on your behalf and for the benefit of the broader Victorian community.

While differing attitudes have divided sections of the community this year, we remain united. The Victorian Chamber will continue to work to make sure every Victorian business has the best chance of success. The Board and I look forward to continuing to support businesses on this journey through 2022, and beyond.

- Karyn Sobels, President

FROM THE CHIEF EXECUTIVE

Paul Guerra



The past financial year has been a difficult one for our many members and customers. We seemed to continuously move from lockdown to clear trading conditions and back to lockdown, with interstate border closures adding to the burden.

Uncertainty is no friend of business, and ultimately, we have endured a year that is best described as a year where uncertainty was the dominant theme.

Throughout the past 12 months, businesses, our members, needed us to be a loud voice and a strong advocate for their interests as both Federal and State Governments grappled with how we could weather this economic storm.

The Victorian Chamber spent a lot of time and put a lot of focus on what our members told us they required – and we relayed that to all levels of Government. Those conversations were happening several times a day and they still are.

We have played a significant role in securing financial support via the Government grant program, which was necessary to help business make it through.

Our policy and advocacy engagement was largely focused on responding to COVID-19 and delivering the Victoria Summit 2021 to help set us on the path to a brighter future. Outside of this, we put together a Cost Taskforce and conducted several regulation roundtables in order to better understand the impacts that were currently affecting our members.

Throughout the year, we engaged with members directly and via surveys to be able to present the best and most reliable data to both the State and Federal Governments. As a consequence, we have been able to have significant influence on the business support packages that have been delivered, guaranteeing strong outcomes for business, as well as other policy decisions. We were also able to ensure that the concerns of our members around restrictions as we came out of various lockdowns were heard and taken into consideration. Our advocacy in this space has meant that many businesses have survived, and employees have remained connected to their employers.

We have provided strong input into various government policies affecting our members and the extended business community. The Victorian Chamber provided this feedback to Government via submissions made to the Secure Work pilot, Workplace Manslaughter and the Pay System Review.

The Chamber has continued to directly influence the work of key government advisory groups, including the Victorian Planning Authority, the Equal Workplaces Advisory Council, the Worksafe Advisory Council and the EPA Strategic Advisory Group.

Financially speaking, 2021 resulted in a \$6.5 million gain for the organisation, which included a positive, yet unrealised revaluation by \$4.6 million of investment portfolio in addition to \$3.2 million in investment income generated. This was driven by a robust investment strategy of the portfolio, primarily delivering results in the second half of the financial year.

We have been deliberate in increasing our drive for businesses across the State to support the commencement and completion of both apprentices and



“If there is one silver lining to COVID-19, it is that it has accelerated our ways of working, problem solving and opening our minds.”

PAUL GUERRA

trainees. As part of the Apprenticeship Support Australia (ASA) program from the Federal Government, we have been delighted at the uptake of new starters into this area, as we know this will continue to provide skilled workers at a time when we will need them more than ever. It has also assisted in our financial performance for the year.

The Board endorsed an extension of membership waiver of more than \$6.3 million to support lowering business costs in the difficult trading environment. In addition, we commenced delivering the Business Recovery and Resilience Mentoring program funded via government grants, delivering support to more than 5,000 businesses across Victoria. The program has subsequently been extended due to the demand for services and current trading conditions. The positive operating cashflow includes grant funding held for the ongoing program delivery.

As a direct result of the significant adverse financial impact experienced in the final quarter of the previous financial year, JobKeeper funding was received for a single quarter. Positively, no further support was necessary as we recovered through very strong activity within the ASA programs.

COVID-19 has prompted us to innovate and constantly review how we operate as an organisation, and how we engage with our members and the broader community. Every day, we see great change across all departments to embrace new technologies and overcome the many challenges presented by the pandemic.

Over the past financial year, the Victorian Chamber delivered yet another suite of impressive industry events to ensure our members remained connected and engaged. We welcomed guests such as the Hon Jacinta Allan MP and the Hon Greg Hunt MP as keynote speakers of two of our COVID-19 Business Webinars, we held a webinar in partnership with ACCI featuring Federal

Treasurer Josh Frydenberg, and Victorian Treasurer Tim Pallas joined us to unpack the 2020-21 State Budget at our Annual State Budget Lunch, which we managed to present in-person.

We successfully, virtually, held our Victorian Chamber Presents: The Business of Footy event, our annual VCCI and Pitcher Partners Grand Final Lunch, and our Victorian Chamber Presents: Jessica Sepel event. Fortunately, in 2021, we were also able to deliver the Chamber's annual Grand Prix Breakfast event face-to-face, albeit, without the GP occurring.

The Health, Safety and Wellbeing team has continued to deliver on existing government contracts such as the OHS Essentials and Mental Health Essentials programs, as well as securing new partnerships to support Victorian businesses in understanding changes to legislation, such as the new Workplace Manslaughter laws.

We have also undertaken a series of innovative consulting projects to educate businesses in mental health risk management, and have helped our members and clients through the provision of advice on how to implement COVIDSafe practices and plans in the workplace.

If there is one silver lining to COVID-19, it is that it has accelerated our ways of working, problem solving and opening our minds.

We have been afforded, albeit off the back of a global pandemic, an opportunity to reshape many aspects of our lives, our state and our country, and the brave will take the opportunity.

“Failure is not an option” should be the mantra we adopt from here. The road ahead will be different, opportunities and challenges will present at various times, but if we remain united and work together, then Victoria's future will be as bright as we choose to make it.

Internally, it has been a year of great change as we look ahead to meet the next challenges for VCCI. We completed our values refresh, and have agreed our values will be: Accountable; Collaborative; Curious; Excellent. You can expect to see these in both our internal and external engagement, and it will help us drive towards an even stronger workplace culture.

We have also completed a revised organisation strategy which the Board approved in June. It will guide us over the next three years. We intend to share this more publicly once we are in a position to return to the office.

As part of this strategic process, we have welcomed many new starters to the Chamber and we have farewelled some. To everyone who has contributed to our effort this year, I want to say thanks.

The Executive Team is a talented group of individuals who have been brilliant over the past 12 months. Chanelle Pearson, Scott Veenker, Fiona MacDonald, Andy Jensen, Sara Marriott, Glenn Goodwin, Kathie Panopoulos and Dugald Murray deserve my thanks for the roles they have each played. I would also like to acknowledge the wider Leadership Team who have greatly contributed to the performance of the Victorian Chamber, and I'm also grateful for their incredible support.

I would like to thank our Board, Executive Council and staff for their ongoing support, leadership and strategic thinking that continues to drive successful outcomes for Victorian business. In particular, I would like to acknowledge our President Karyn Sobels and our Deputy President Adrian Kloeden.

Finally, to our members who pay to belong to VCCI and to those customers who pay to use our services, your support is very much appreciated; it makes it possible to do what we do for you and the wider business community.

We look forward to working together to pave a way forward for our state's economic recovery and long-term prosperity.



- Paul Guerra, Chief Executive

DELIVERING BENEFITS TO VICTORIAN BUSINESSES



Free memberships to 15,000 Victorian Businesses



Approved more than 3,230 small businesses to receive support from the Business Recovery and Resilience Mentoring program



Delivered end-to-end apprenticeship advice and support services to more than 8,000 businesses



Registered more than 15,000 apprentices and trainees

THE VICTORIAN CHAMBER

OVERVIEW

The Victorian Chamber of Commerce and Industry (Victorian Chamber) is the largest and most influential not-for-profit business organisation in Victoria, informing and supporting 47,000 members and clients across the state.

Founded in 1851 with the aim to make Melbourne one of the world's notable free ports, today we continue leading businesses of all sizes into the future via our extensive policy and advocacy work, and with a highly skilled team of business specialists who provide the training and support required to enable Victorian businesses to thrive.

The Victorian Chamber proudly champions business' interests, with a strong focus on ensuring transformational growth, international trade opportunities and sustainability for all members.



"We have been members of the Victorian Chamber since 2019. The membership has been very valuable especially the support from our Workplace Relations Consultant. They act quickly and value their members"

RAY WHITE, MEMBER



MEMBERSHIP

Through Victorian Chamber membership, businesses have access to our impressive suite of products and services created to provide the skills, tools and opportunities needed for Victorian businesses of all sizes to grow and flourish.

During the 2020-21 financial year, we engaged with more than 2,000 members to develop insight led services and experiences and discover new opportunities to deliver excellent experiences and value for our members.

One notable outcome from this research was the introduction of the VCCI Grant Finder tool, an exclusive member offering which assists businesses to identify and apply for local, state and federal government grants.

The team also redesigned the Victorian Chamber website experience to ensure members are able to find solutions efficiently. Throughout the year, we continued to develop more virtual experiences to enable all members and customers to better connect, learn and be inspired.

We are reviewing how we engage with our members and the value we provide them and our clients, and that will be a constant in the road ahead, coupled with our ongoing mission to be the go-to partner in their success.

The Chamber remains a membership-based organisation, highly committed to improvement in our ability to serve, support and develop our members, and there will continue to be strong member engagement to ensure our services, products and events remain relevant and beneficial.

Looking ahead, we will continue to frequently evaluate our membership value proposition and innovate our products and services, to provide an avenue for growth and success for our members and customers across the state.



POLICY AND ADVOCACY

The Victorian Chamber's policy and advocacy over the 2020-21 financial year was largely focused on responding to the challenges faced by business as a result of the COVID-19 pandemic, and preparing and delivering the Victoria Summit - a unique opportunity for leaders from industry, unions, governments, the community and educational institutions to work together to create a bold vision for Victoria and a path for our state's economic recovery and long-term prosperity.

Throughout the year, member engagement was a large focus for the Policy and Advocacy team. Through several regulation roundtables, the development of a Cost Taskforce and via direct contact and surveys, we worked with our members to better understand the impacts on their businesses and employees, and what they needed immediately and moving forward. These insights enabled us to consult Government using the most reliable data and information available.

Our commitment to being the most trusted advocate for Victorian business was further solidified, ensuring our members' voices were heard and considered. As a consequence, we had significant influence on the business support packages that the State and Federal Governments delivered - and had great input in helping shape the agenda regarding easing of restrictions for business. Our support in this space has ensured that many businesses have survived, and employees have remained connected to their jobs.

We were proud to partner with the State Government to design and successfully deliver a new Recovery and Resilience Mentoring Program, and to secure various other Government support contracts which we will implement over the coming months.

Throughout the 2020-21 financial year, the team has provided strong input into various government policies

affecting our members and the broader business community. This input has been received by both the State and Federal Governments via submissions to the Secure Work Pilot, Workplace Manslaughter and the Pay System Review.

The organisation has continued to directly influence the work of key government advisory groups, including:

- The Victorian Planning Authority
- The Equal Workplaces Advisory Council
- The Worksafe Advisory Council
- The EPA Strategic Advisory Group.

We look forward to continuing to work with our members, stakeholders, advisory groups and all levels of government to ensure positive outcomes for Victorian business.



WORKPLACE RELATIONS

The Victorian Chamber supports businesses and professionals through its highly valued telephone advisory service and expert consultants. The Workplace Relations Advice line provides immediate advice and guidance on all facets of workplace relations including industrial and employee relations. The advice line also manages and develops a variety of resources including tools, templates, wage summaries and other educational resources and materials, as well as offering a subscription service alerting members to modern award changes.

The Victorian Chamber's Workplace Relations consultants are highly skilled and experienced individuals who can provide tailored solutions, advice and guidance including representation in the Fair Work Commission, investigating allegations of misconduct, mediating disputes, leading and advising on enterprise bargaining, and supporting business through restructures and workplace change.

The Workplace Relations team also provides advice on wages and compliance and is often called on to conduct complex classification assessments and wage audits.

During 2021, the Workplace Relations team has partnered with several businesses through its secondment services. Secondtees have led complex negotiations and restructures, providing vital industrial relations support during a time of crisis or transformation. The team has also continued to present regular briefings and webinars to ensure members are well informed and understand topical issues and changes.



TRAINING

The Victorian Chamber has a long history in supporting the skill needs of Victorian businesses through the provision of innovative and industry-focused training solutions. Our short courses, nationally recognised qualifications and self-paced learning modules are reviewed and adapted annually, to ensure they continue to meet the changing needs of business.

In 2020-21 we offered more than 100 different short courses, self-paced learning modules and nationally recognised certificate and diploma-level qualifications to more than 6,000 students. These covered areas as diverse as leadership and management, business, finance and productivity, human resources and workplace relations, health, safety and wellbeing, marketing, sales and service, emotional intelligence, international trade, Microsoft Office applications and personal effectiveness.

The team also readily adapted to the use of different forms of technology to support the learning and development needs of a business community that spent a large percentage of the year working remotely due to COVID-19 restrictions.

In late 2020, the Victorian Chamber's Registered Training Organisation (TOID 4166) achieved its re-registration for a further five-year period and spent considerable time updating all courses to meet the new requirements of the Business Services Training Package v7.0, ready for delivery of the new courses in 2021-22.



HEALTH, SAFETY AND WELLBEING

The Victorian Chamber's Health Safety and Wellbeing team has continued to support Victorian businesses throughout the 2020-2021 financial year.

We diversified our training offerings to include interactive workshops in the challenging and topical areas of managing domestic and family violence in the workplace, as well as occupational violence prevention and response. Our existing courses have continued to evolve to adapt to the rapidly changing training landscape, focusing on digital/hybrid delivery, shorter course durations, and maintaining our excellent reputation as a provider of third-party licensed content (for example, WorkSafe Victoria, Mental Health First Aid Australia etc.).

The Health Safety and Wellbeing team has continued to deliver on existing government contracts such as OHS Essentials and Mental Health Essentials programs, as well as securing new partnerships to support Victorian businesses in understanding changes to legislation, such as the new Workplace Manslaughter laws that came into effect from 1 July 2020.

We have supported our members and clients through the provision of advice on how to implement COVIDSafe practices and plans in the workplace, as well as undertaking short and medium-term secondments of our consultants to assist employers to complete important safety projects and backfill day-to-day responsibilities while recruiting for permanent positions.

We have also undertaken a series of innovative consulting projects to support businesses in mental health risk management, which has involved policy development, survey design and delivery, and training for senior leaders and managers.



GOVERNMENT PROGRAMS

In 2020-21 the Victorian Chamber partnered with the State Government to deliver the Business Recovery and Resilience Mentoring (BRRM) program to support Victorian small businesses through the COVID-19 pandemic.

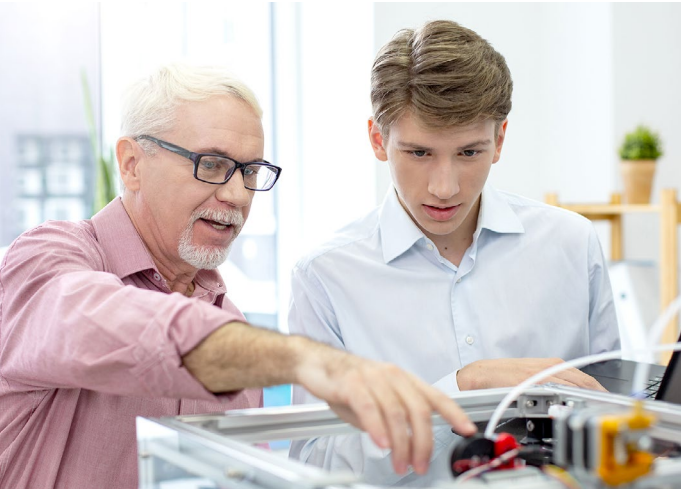
As part of the program, eligible businesses are matched with an experienced professional who will provide them with up to four, two-hour, one-on-one mentoring sessions over a three-month period. Mentors provide tailored guidance in areas such as business recovery, market transformation, digital literacy and engagement, market and supply chain diversification and reskilling and retraining.

The program is currently funded until 31 December 2021 and at the end of June 2021 has recruited and onboarded more than 230 mentors, approved more than 3,230 small businesses to receive mentoring support through the program and delivered more than 3,650 mentoring sessions.

This year, the Victorian Chamber also delivered a range of mental health resources and services to support Victorian SMEs who employ young workers under the Mental Health Essentials program. This program is supported by WorkSafe Victoria through the WorkWell Mental Health Improvement Fund and provides a range of free mental health training and consulting services to help SMEs create mentally healthy workplaces.

To date, more than 220 businesses have participated in the program with more than 2,800 employees providing valuable feedback that will form part of the Chamber's final evaluation report that we will submit to WorkSafe Victoria later in 2021.

In addition, over the past three years, the Victorian Chamber delivered six different webinar series covering a range of mental health related topics and developed a suite of resources to support business to create a mentally healthy workplace, including videos, fact sheets and infographics.



APPRENTICESHIP SUPPORT AUSTRALIA

Apprenticeship Support Australia (ASA), as part of the Victorian Chamber, is contracted by the Australian Government to deliver Australian Apprenticeship Support Network Services (AASN) across Victoria until 31 January 2022.

The key goal of the AASN program is to make it easier for employers to recruit, train and retain apprentices and trainees. In FY21, ASA delivered quality end-to-end advice and support services to more than 8,000 businesses and 22,000 active apprentices and trainees across a broad range of industries. Despite the challenging business environment, ASA registered more than 15,000 apprentices and trainees, administered 37,000 employer incentive claim forms and 27,000 trade support loans.

To assist with the recovery from the impact of the COVID-19 pandemic, the Federal Government continued to support small business to retain their apprentices and trainees through a wage subsidy under the Supporting Apprentices and Trainees (SAT) program.

ASA administered payments to the value of \$120 million through the SAT initiative for employers. The Boosting Apprenticeship Commencements (BAC) wage subsidy also announced by the Australian Government in October 2020, is supporting employers to engage new apprentices and trainees to build a pipeline of skilled workers to support a sustained economy until March 2022.

ASA has administered payments to the value of \$40 million through the BAC initiative for employers across Victoria.



WORKPLACE ASSURED

Workplace Assured supported businesses to navigate their HR-related challenges throughout the 2020-21 financial year. The service supported our members and clients to understand their obligations under ever-changing COVID-19 rules and requirements. Workplace Assured is a complete workplace relations solution for small to medium sized businesses, designed to provide peace of mind when it comes to managing and complying with workplace issues.



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. Despite the COVID-19 pandemic drastically disrupting global supply chains and business travel, through the Victorian Chamber's China office, we have developed onsite services that help members effectively communicate with their customers and suppliers, inspect factories and perform quality audits in China, without having to leave Australia.

Other services offered by the team include customs and export documentation, 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.

In the 2020-21 financial year, the team continued to introduce changes across the business to drive improved customer service levels and efficiencies in our processes and systems. These include implementing improved data and reporting mechanisms and introducing upfront payment (PAYG) options for some of our clients, providing greater efficiencies for VCCI and our members.



MELBOURNE CHAMBER OF COMMERCE

The Melbourne Chamber of Commerce (MCC) is the Victorian Chamber's premium membership program and is proud to bring together many of the state's largest, innovative and most remarkable businesses from multiple sectors.

The essence of the Melbourne Chamber program is connectivity; connecting members, connecting business, connecting leaders and their teams, and connecting all to our outstanding events and activities and to Victoria's prosperity and success. The MCC members assist the Victorian Chamber to be a most effective advocate and communicator on behalf of business through the excellent case studies and the policy insights they share on a regular basis.

Some of the events and activities through which connections were fostered in the 2020-21 period included Leadership Lunches with Treasurer Tim Pallas, Minister Jacinta Allan, and Lord Mayor Sally Capp, and via our exclusive corporate hospitality events at the Australian Open Tennis and the Melbourne Food & Wine Festival.

Members also engaged through a best practice tour at the Victorian Tunnelling Centre at Holmesglen TAFE, and a range of other thought-provoking and insightful forums delivered virtually.

Despite the challenging circumstances, we were proud to welcome six new members. The team also thanks the members of our advisory board for their guidance and support during the year.

MEDIA COVERAGE

HERALD SUN, MELBOURNE

Six ways we can learn from the pandemic



PAUL GUERRA

WE are the Lucky Country, but we know that luck is only one ingredient of success.

Some say you make your own luck.

As our Victorian economy continues to roar back, it's timely to reflect on the lessons we have learnt over the past 12 months.

The Brisbane situation was concerning and there is nervousness around the delay in the vaccine rollout. If the rollout doesn't work or if it continues to take too long, we will all pay the price again with lockdowns costing more businesses and jobs.

I have asked the state for clarity on how lockdowns will be managed in the future: what are the thresholds, guidelines and strategies that can give business and the community certainty about what to expect and when to expect it?

As I look back with a view to looking forward, there are six main areas that we can reflect on to prepare us for the future.

1 We know that targeted stimulus to support businesses works. It's important we celebrate the JobKeeper program, as it was truly a game-changer for our country. The state's business support grants also

helped to plug short-term holes to keep businesses afloat, and targeted stimulus like the travel voucher scheme has undoubtedly helped parts of the economy. More can be done for the sectors still struggling, however, and this should be part of the model going forward.

2 Lockdowns, as tough as they were, did work. It's an inconvenient truth, but the evidence is there when you compare how we have performed against other countries. There have been 20,484 COVID-19 cases in Victoria, 29,278 nationally, and sadly we have had 909 deaths. Compare that with the US, which has had 544,430 deaths from 30 million cases.

3 Victoria has not been good at hotel quarantine, but its contact tracing has improved. We need both to be excellent, just like NSW is. Many of us are nervous around the recommencement of hotel quarantine on Thursday, and the state needs to reassure us that it has resolved all previous failures. It's likely that quarantine and contact tracing will be required for some time yet. Perhaps it's time to accelerate the private sector proposals for a system that will work and work well, such as the purpose-built quarantine facility proposal for Avalon.

4 The effective rollout of a COVID-19 vaccine is the best opportunity we have to keep us safe and to provide the confidence that businesses need to invest and employ so that we can rebuild the economy. The reports on the rollout delays are hard to read. We don't want to see blame games.

We want to see the state and federal governments working together to accelerate the rollout and get it done well.

5 Victoria has shown how well we can pivot and innovate. It was brilliant to see how many businesses moved to different models. And governments started paying more attention to growing local manufacturing capability. There were other examples in sport, like racing, the AFL and the Australian Open. It was different, but gee we needed it.

6 Where it was possible, we worked effectively at home throughout the pandemic. And this blended type of arrangement is here to stay. We have been striving for work-life balance for so long, and we might have found an answer. To be effective, though, we need to move to an outcomes-based management approach, protect the ability to collaborate in person, ensure the learning by osmosis remains and, importantly, find new ways to keep a watch on mental health. It's why I think it will be probably a mix of three days in the office and two days at home, or a similar blend for those who are able to do that.

Looking ahead, I expect it will be rocky on the economic front, although there are good signs for how the economy is bouncing back and job figures are staying high.

As we look around the world, several countries are facing the sad reality of their fourth waves of COVID-19. The indications from Europe show that even with the vaccine rollout, COVID-19 is still



PAUL GUERRA

Business is bleeding ... heavily

IT'S not the fault of business that we are locked down again, yet they're the ones that continue to pay the price. It's small and medium businesses, the lifeblood of our state, that bear the brunt.

When you get the chance, ask a small or medium business owner what life has been like over the last 14 months. They put their livelihoods on the line every day to employ workers and provide goods and services. They deserve our support. So do workers.

Business is the heart of every community in this state. Without business there are no jobs and without workers businesses can't survive.

The Victorian Chamber is calling for a broadbased support package to help cover rent, loss of perishables, wages and costs incurred due to Thursday's sudden announcement.

Unlike in previous lockdowns, JobKeeper and rent relief are no longer available, which means a large number of businesses that did not receive support from the state government previously will need to be included in any support package.

Workers in affected industries, who cannot work from home, still need to put food on the table and pay the bills. They need a JobKeeper-type payment.

The package should also

include several rounds of travel and dining vouchers for the duration of 2021 to help us accelerate out of the blocks, post-lockdown.

We know the federal government has already put \$45bn and the state government has put just under \$10bn into support wages and businesses over the past year.

We need them to come together to provide the certainty and support for businesses and workers to ensure they have the confidence to get through the next week.

And while we are at it, maybe we can finally get agreement on where to build a quarantine centre.

Many businesses were already hanging by a thread and that thread was cut on Thursday. If we don't support them today, they won't be here tomorrow.

There are opportunities in other states for both business and workers.

The footage of people leaving Victoria was hard to watch. Some won't come back, and it will continue if we can't give support to business and workers.

Victorians are fighters, and we will bounce back. That's where our focus needs to shift to. We all know there is too much to lose to risk any further delay.

Look after each other, get vaccinated if you can, and I will see you at the restart line next Friday morning.

PAUL GUERRA IS CEO OF THE VICTORIAN CHAMBER OF COMMERCE AND INDUSTRY

Jabs key for Victoria to rejoin the world

AS we are starting to see around the globe, getting the vaccine is our ticket to freedom.

We are so over lockdowns and watching the case numbers grow in Sydney is only stirring our collective nervousness.

The ongoing restrictions in Victoria continue to hamper our hospitality, events and entertainment sectors. This won't keep happening if we all get vaccinated.

It was this time last year that we started that tough 112-day lockdown. Winter is upon us again and we face another uncertain period of hoping our hotel quarantine system holds up and the vaccination program speeds up.

Yo-yo-ing in and out of lockdown plays havoc with businesses, workers and the community and destroys the certainty we all need.

The alternative is to get the vaccine to protect us from the devastating effects of the virus and gives governments the opportunity to take different approaches in response to outbreaks.

In a country as advanced as Australia, it's baffling that only about 5 per cent is fully vaccinated while other countries such as Israel, Iceland, Chile, Hungary, the UK and US have fully vaccinated about half their populations. We need to quickly up our game, or risk being left behind as the shackles come off the rest of the world.

I spoke last week to several friends in the US, where life is returning to normal.



PAUL GUERRA

In New York and California, more than 70 per cent of adults have had at least one dose of Covid-19 vaccine and their Centers for Disease Control and Prevention has announced the fully vaccinated can live and work without restrictions.

Countries are opening up and removing restrictions. But they are still taking precautions that reward those who have been vaccinated.

For example, you could only go to the Foo Fighters concert with 15,000 fans at Madison Square Gardens if you showed your vaccination certificate.

At the Bruce Springsteen show on Broadway, children under 16 were permitted too, as long as they had proof of a recent negative Covid-19 test if accompanied by a vaccinated adult.

Quite simply, it was no jab, no entry. It might sound tough, but it's putting the choice squarely back to individuals. If you get the jab, then come in, if not, go do something else.

The story is similar in other countries where there is some tolerance around the use of rapid Covid-19 tests (typically 15 minutes) that determines whether you can enter. But, it's still much simpler to

get vaccinated. It is the way out of this Covid battle.

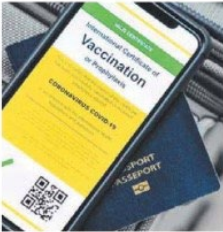
As Victorians, our calendar revolves around events rather than seasons. Finals fever culminates in the AFL grand final in September, then we roll into the Cox Plate and Melbourne Cup and the entire Spring Racing Carnival.

This year, the Formula One Grand Prix will arrive in November before hitting Christmas and then Victoria gears up to host one of the world's sporting highlights, the Australian Open tennis against the backdrop of summer holidays.

Of course, these events are more than just symbolic; they're part of what defines Victoria. They support our retail, hospitality and tourism sectors and countless jobs.

Accommodation books out months — even years — in advance and there are many corporate breakfasts, lunches and cocktail events riding on their coat tails.

If we are ambitious about reclaiming our events mantle, we need to adopt a system that allows international athletes and



artists to enter the country without quarantining. We can do that with proof of vaccination.

The European parliament recently approved the use of a digital Covid-19 certificate via a smartphone app. Citizens can use the app to prove their vaccination status to travel freely across Europe without the need to quarantine or take Covid-19 tests.

We could use the same system to welcome back international students as well.

The international education sector generated \$13.7 billion in revenue in 2019 and supported 79,000 jobs in 2018. We are already starting to lose students to overseas competitors so we need to act if we want to preserve this industry.

I understand there is hesitancy and reluctance among some people to get vaccinated, and it is a personal choice. But the only way we get back to crowds en masse and open our international borders is to achieve majority vaccination.

Businesses are jumping on board too. Qantas and Virgin have announced incentives to get vaccinated, and companies are even rewarding staff with shopping vouchers once they get vaccinated.

For those who have had the vaccine, I say thanks. To everyone else, please, get it. As vaccination rates increase, so should our freedoms. To borrow a line from a fellow Victorian, "you know it makes sense".

PAUL GUERRA IS CHIEF EXECUTIVE OF THE VICTORIAN CHAMBER OF COMMERCE AND INDUSTRY



"We have utilised the advice and services of the Victorian Chamber for over 10 years. We really like that we get straightforward, common-sense advice in plain English that cuts through the complexity of an issue. The Chamber has been there for us when we needed them the most, and we highly value our continued partnership."

VERVE PORTRAITS, MEMBER



"The Victorian Chamber of Commerce and Industry is incredibly supportive, and I have been impressed with the provision of material made available for general use in relation to COVID-19. They are very open to new ideas and services to help their members"

INSAFELY, MEMBER

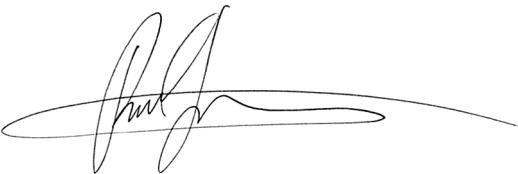
Victorian Chamber of Commerce and Industry
 ABN 37 650 959 904
 Report required under subsection 255(2A)

For the year ended 30 June 2021

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2021.

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	18,504,904	20,514,804
Advertising	806,194	537,383
Operating costs	9,529,815	11,905,703
Donations to political parties	-	-
Legal costs	67,684	70,080

Signature of designated officer



Name and title of designated officer:

Paul Guerra, Chief Executive

Date: 4th November 2021

Victorian Chamber of Commerce and Industry
 ABN 37 650 959 904
 Operating Report

For the year ended 30 June 2021

The Committee of Management presents its Operating Report on the Victorian Chamber of Commerce and Industry (Victorian Chamber) for the year ended 30 June 2021.

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 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 2021 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	Director (Immediate Past President)	20.11.2007	
Ms Karyn Sobels	President	22.11.2011	
Mr Adrian Kloeden	Director (Deputy President)	19.11.2013	
Mr Robert van Stokrom	Director	18.11.2014	
Mr Brian Negus	Director	17.11.2016	
Ms Helen Fairclough	Director	04.07.2018	
Mr Paul Guerra	Secretary/Chief Executive	03.02.2020	
Ms Kylie Warne	Director	14.11.2019	
Ms Michelle Winzer	Director	14.11.2019	31.03.2021
Mr Jeremy Blackshaw	Director	14.11.2019	
Ms Carlene Wilson	Director	31.03.2021	

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	11	11
Ms Karyn Sobels	11	11
Mr Adrian Kloeden	11	11
Mr Robert van Stokrom	11	11
Mr Brian Negus	11	11
Ms Helen Fairclough	11	10
Mr Paul Guerra	11	11
Ms Kylie Warne	11	11
Ms Michelle Winzer	8	8
Mr Jeremy Blackshaw	11	11
Ms Carlene Wilson	3	3

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Operating Report

For the year ended 30 June 2021

Remuneration Paid to Officers

The salary ranges of the five highest paid officers of the Victorian Chamber for the year ended 30 June 2021 were:

Name of officer	Remuneration (\$000's)			Non-cash benefits (\$000's)		
	0-50	51-100	101-150	451-510	0-50	51-100
Ms Karyn Sobels		X				
Mr Adrian Kloeden	X					
Mr Robert van Stokrom	X					
Ms Helen Fairclough	X					
Mr Paul Guerra				X		

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 Jeremy Johnson	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 economy, 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 2021 of \$6,564,613 (2020: loss of \$6,210,355). The consolidated net assets at 30 June 2021 totaled \$91,563,738 (2020: \$84,999,115).

Membership of Victorian Chamber

In the 2021 calendar year the Victorian Chamber continued to embark on a significant support program for Victorian businesses through membership of VCCI. During the COVID-19 health pandemic where hardship and economic impact were experienced, businesses were actively encouraged to join VCCI who provided discounts and fee waivers amounting to \$6,292,814 (2020: \$6,087,494).

As at 30 June 2021, the Victorian Chamber had 20,549 members (2020: 16,178).

Employees of Victorian Chamber

As at 30 June 2021, the total number of employees was 186 (2020: 180).

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Operating Report

For the year ended 30 June 2021

Board Committees:

The following Board Committees operated during the reporting period:

Audit and Risk Committee

Karyn Sobels
 Robert van Stokrom
 Don Rankin
 Michelle Winzer (resigned 31.03.2021)
 Kylie Warne
 Carlene Wilson (appointed 31.03.2021)

Investment Committee

Karyn Sobels
 Adrian Kloeden
 Brian Negus
 Jeremy Blackshaw

HR & Remuneration Committee

Karyn Sobels
 Don Rankin
 Adrian Kloeden
 Helen Fairclough

Events after the Consolidated Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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;

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Operating Report

For the year ended 30 June 2021

Manner of Resignation (continued)

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.

(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.

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Operating Report

For the year ended 30 June 2021

Manner of Resignation (continued)

- (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.



Paul Guerra

Secretary and Chief Executive at Melbourne, 4th November 2021

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Consolidated Statement of Comprehensive Income

For the year ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue			
Membership subscriptions	2a,d	4,952,705	8,158,493
Other revenue	2b,d	23,310,682	16,786,082
Other income	2c,d	10,895,159	9,817,679
Total revenue and other income		39,158,546	34,762,254
Expenses			
Operating expenses		2,426,185	3,047,544
Employee expenses	4	18,504,904	20,514,804
Affiliation fees	3	661,000	661,000
Depreciation and amortisation expense		2,763,196	2,687,756
Donations		-	333
Federal & State Government programs		1,452,479	2,536,453
Occupancy expenses		649,840	810,083
Consultancy fees		1,656,351	1,531,093
Doubtful debts and loan write-off		254,992	495,351
ICT expenses		1,715,235	1,695,319
Interest expense on leased asset		667,148	681,076
Loss on financial assets at fair value through profit or loss		-	4,080,456
Other administration expenses		1,842,603	2,231,341
Total expenditure		32,593,933	40,972,609
Current year surplus / (deficit) before tax	3	6,564,613	(6,210,355)
Income tax expense		-	-
Current year surplus / (deficit) after tax		6,564,613	(6,210,355)
Total comprehensive income / (loss) for the year, net of tax		-	-
Net current year surplus / (deficit) attributable to members of the entity		6,564,613	(6,210,355)
Total comprehensive income / (loss) attributable to members of the entity		6,564,613	(6,210,355)

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Consolidated Statement of Financial Position

As at 30 June 2021

		2021	2020
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	8,951,088	4,144,787
Trade and other receivables	7	9,107,409	4,884,988
Prepayments		1,153,113	880,075
Financial instruments	8	1,488,729	1,507,253
Total current assets		20,700,339	11,417,103
Non-current Assets			
Prepayments	7	119,862	-
Financial instruments	8	90,372,754	83,917,758
Intangible assets	9	1,598,701	2,035,954
Property, plant and equipment	10	2,768,218	3,132,909
Right-of-use asset	15(a)	14,367,209	15,927,183
Total non-current assets		109,226,744	105,013,804
Total assets		129,927,083	116,430,907
Liabilities			
Current Liabilities			
Trade and other payables	11	4,303,088	2,557,575
Contract liabilities	12	12,654,364	5,780,925
Lease liability	15(b)	1,499,334	1,107,837
Short-term provisions	13	2,479,917	3,117,690
Total current liabilities		20,936,703	12,564,027
Non-current Liabilities			
Long term provisions	13	432,008	508,524
Lease liability	15(b)	16,994,634	18,359,231
Total non-current liabilities		17,426,642	18,867,755
Total liabilities		38,363,345	31,431,782
Net assets		91,563,738	84,999,125
Equity			
Retained earnings		91,563,738	84,999,125
Total equity		91,563,738	84,999,125

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Retained earnings	Total
	\$	\$
Balance at 1 July 2019	91,209,480	91,209,480
Loss attributable to members of the consolidated group	(6,210,355)	(6,210,355)
Balance at 1 July 2020	84,999,125	84,999,125
Profit attributable to members of the consolidated group	6,564,613	6,564,613
Balance at 30 June 2021	91,563,738	91,563,738

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Consolidated Statement of Cash Flows

For the year ended 30 June 2021

		2021	2020
			(restated)
	Note	\$	\$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		16,898,533	22,527,232
Receipts from Federal and State Government programs		12,975,392	8,163,055
Interest received		14,201	34,326
Receipts from other reporting units		-	-
Cash used			
Payments to suppliers and employees		(24,412,340)	(31,487,175)
Payment to other reporting units		-	-
Net cash generated from (used by) operating activities	19	5,575,786	(762,560)
INVESTING ACTIVITIES			
Cash received			
Receipts from Investment Portfolio		6,380,831	5,596,197
Cash used			
Loan to Non-Controlled Interest		-	-
Reinvestment in Investment portfolio		(4,981,476)	-
Purchase of property, plant, equipment, and intangible assets		(427,342)	(368,119)
Net cash generated from investing activities		972,013	5,228,078
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of lease liability		(1,741,498)	(2,867,414)
Net cash (used by) financing activities		(1,741,498)	(2,867,414)
Net increase in cash held		4,806,301	1,598,104
Cash & cash equivalents at the beginning of the reporting period		4,144,787	2,546,683
Cash & cash equivalents at the end of the reporting period	6	8,951,088	4,144,787

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of the Victorian Chamber of Commerce and Industry and controlled entities ('Consolidated Group' or 'Group').

The consolidated financial statements were authorised for issue on 19 October 2021 by the Board of Directors.

Entity information

The Victorian Chamber is a registered Employer Association under the Fair Work (Registered Organisations) Act 2009, unincorporated 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 Commissioner, 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 consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general-purpose 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 consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The consolidated financial statements are presented in Australian dollars and the consolidated financial statements have been rounded to the nearest dollar.

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(a) Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent (Victorian Chamber) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent's 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 consolidated 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 consolidated 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. Intergroup transactions, balances and unrealized 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 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.

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.

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

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.

(d) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Financial Assets measured at Amortised Cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- (a) The asset is held within a business model with the objective of collective the contractual cash flows; and
- (b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL);
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within other income (note 2k), except for impairment of trade receivables which is presented in provision for doubtful debts.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and most other receivables fall into this category of financial instruments.

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

The Group's investment in equity instruments are through a managed fund. Under the guidance of AASB the Group do not have the option to irrevocably elect to account for these as Equity FVTOCI (see below) due to the limited life of a managed fund.

Impairment of financial assets

AASB 9's new forward looking impairment model applies to the Group's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. At 30 June 2021, the Group applies a standardised percentage across all debtors under the expected credit loss model.

(e) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee.

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(e) Leases (continued)

However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used). The lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification
- The Group did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(e) Leases (continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (as outlined in the financial report for the annual reporting period).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

(f) 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' 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.

(g) 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.

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1. Summary of Significant Accounting Policies (continued)

(g) Cash and cash equivalents (continued)

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

(h) 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.

(i) 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.

(j) 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.

(k) Revenue

The Group enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

(i) Revenue from contracts with customers

Where the Group has a contract with a customer, the Group recognises revenue when or as it transfers control of goods or services to the customer. The Group accounts for an arrangement as a contract with a customer if the following criteria are met:

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1. Summary of Significant Accounting Policies (continued)

(k) Revenue (continued)

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

(ii) Membership revenue

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of Group.

Where there is more than one distinct good or service promised in the membership subscription, the Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Group charges for that good or service in a standalone sale.

When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, event tickets) or as the service transfers to the customer (for example, member services or training course), the Group recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Group has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Group at their standalone selling price, the Group accounts for those sales as a separate contract with a customer.

(iii) Dividend and interest revenue

Dividends, distribution and interest 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.

(iv) Government subsidies

Government subsidies (ie. JobKeeper) are recognised as income when the Group is reasonably assured that it will comply with the conditions attached to it, and the subsidy will be received. The subsidy is recognised as a receivable when the associated wage payments to employees are made.

(v) Federal and State Government program revenue (including grants)

Grants received are accounted for under AASB 15: Revenue from Contracts with Customers when there are enforceable and sufficiently specific performance obligations embedded in the grant arrangement. Revenue is recognised from each grant as the Group satisfies each relevant performance obligation.

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1. Summary of Significant Accounting Policies (continued)

(v) Federal and State Government program revenue (including grants) (continued)

Grants that are not recognised under *AASB 15: Revenue from Contracts with Customers* are recognised under *AASB 1058: Income for not-for-profit entities*, whereby consideration is received by the Group to enable the entity to further its objectives. The Group recognises each of these amounts of consideration as income when the consideration is received (which is when the Group obtains control of the cash) because, based on the rights and obligations in each arrangement the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer.

(vi) Other revenue

Training and professional service revenue is for scheduled courses is recognised on an accruals basis when the performance obligation being delivering the course and/or service to the customer has occurred.

Rental income whereby the Group as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

All revenue is stated net of the amount of GST.

(l) Comparative Figures

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

(m) 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.

(n) ERP/CRM Integrated Solutions

Assets relating to these projects are carried at cost less any accumulated amortisation and impairment losses. The ERP/CRM integrated solution software projects are amortised over 5 years.

(o) 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.

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1. Summary of Significant Accounting Policies (continued)

(o) Project Costs and System Development (continued)

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.

(p) 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.

(q) Investments

Investments in Associates

An associate is an entity that the Group has significant influence but not control or joint control. Investments in associate companies are recognised in the consolidated 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.

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.

(r) 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 is required to exercise judgment in the process of applying accounting policies. In preparing the financial statement the following key judgements were made:

Key judgements – provision for expected credit loss

Included in Note 7, the trade receivables at the end of the reporting period is an amount receivable from customers during the current financial year amounting to \$8,841,444 (2020: \$3,578,945) for the Group. Management have examined doubtful debts provision, which is determined based on the expected credit loss model as defined under AASB 9. This takes into effect the historical losses over the past years on relative debtors, and is then adjusted for current and potential future events.

Key judgements – Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or

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For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

(r) Critical Accounting Estimates and Judgments (continued)

not the options to extend are reasonably going to be exercised is a key management judgement that the Group will make. The Group determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Group.

(s) Prior year classification

At 30 June 2021, the Group has gone through the process of reclassifying the prior period cash flow to align the methodology with the cash flow process used in the current period.

As a result of this process the operating cash flows for the year ended changed from \$(2,652,234) to \$(762,560), investing cash flows from \$5,550,507 to \$5,228,078 and financing cash flows from \$(1,300,170) to \$(2,867,414). There was no change in the net cash movements or closing cash balance as at 30 June 2020.

(t) New Accounting Standards issued, but not effective

AASB 2020-6: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (applicable to annual reporting periods beginning on or after 1 January 2023)

This Standard defers the mandatory effective date of amendments to AASB 101 that were originally made in AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.

This Standard amends AASB 101 Presentation to Financial Statements to clarify the following:

- The classification as a non-current liability should be based on the existence of a 'right' (as opposed to a 'discretion' as it was provided before this amendment) to defer the settlement of the liability for at least twelve months after the reporting period;
- The term 'settlement' includes issue of equity instruments in exchange of extinguishment of a financial liability and such a settlement does not impact the classification of the liability as current or non-current; and
- Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period.

The application of these amendments when effective is retrospective by restatement of prior periods. Earlier application is permitted.

The group has current and non-current liabilities that are classified based on the requirements of AASB101. Adoption of this amendment is not expected to change the group's classification of its liabilities as current or non-current, however, it gives greater clarity to directors in making the assessment regarding what the appropriate classification is.

AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (applicable to annual reporting periods beginning on or after 1 January 2021)

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1. Summary of Significant Accounting Policies (continued)

(t) New Accounting Standards issued, but not effective (continued)

This Standard:

- (a) provide Tier 2 reporting requirements for those for-profit entities that will be prohibited from preparing special purpose financial statements (SPFS) when AASB 2020-2 becomes operative, that appropriately balance the needs of users with the costs of moving from SPFS to Tier 2; and
- (b) reduce the reporting burden of for-profit and not-for-profit entities using the current Tier 2 reporting requirements for preparing general purpose financial statements.

AASB 1060 does not change:

- which entities are permitted to apply Tier 2 reporting requirements; and
- the recognition and measurement requirements of Tier 2, which are the same as for Tier 1.

The Group already applies full General Purpose Financial Statements under Australian Accounting Standards, and this standard is not expected to impact the Group.

(u) New Accounting Standards issued, but not effective

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (applicable to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted)

This standard amends:

- a) AASB 1 First-time Adoption of Australian Accounting Standards to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- b) AASB 3 Business Combinations to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations;
- c) AASB 9 Financial Instruments to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- d) AASB 116 Property, Plant and Equipment to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- e) AASB 137 Provisions, Contingent Liabilities and Contingent Assets to specify the costs that an entity includes when assessing whether a contract will be loss-making; and
- f) AASB 141 Agriculture to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

This standard is not expected to materially impact the consolidated financial statements of the Group.

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2. Revenue and Other Income

		2021	2020
		\$	\$
a. Revenue			
Membership subscriptions	2(d)	<u>4,952,705</u>	<u>8,158,493</u>

Businesses during COVID-19 health pandemic and the bushfires suffered significant hardship and economic impact and were actively encouraged to join VCCI who provided discounts and fee waivers amounting to \$6,292,814 (2020: \$6,087,494). As a result of cessation of arrangement with Victorian Tourism Industry Council, as at 30 September 2020, this saw a reduction of revenue derived year on year from the General Services Arrangement year on year \$200,524 (2020: \$2,140,385).

b. Other revenue			
Federal and State Government programs	2(d)	14,712,157	7,367,103
Professional services	2(d)	6,233,499	6,897,872
Training	2(d)	2,365,026	2,521,107
		<u>23,310,682</u>	<u>16,786,082</u>

c. Other income			
Income from investments	2(d)	3,248,342	5,401,343
Gain on financial assets at fair value through profit or loss	2(d)	4,605,929	-
Dividends	2(d)	320,535	458,606
Other	2(d)	1,199,782	2,256,301
JobKeeper	2(d)	1,520,571	1,701,429
		<u>10,895,159</u>	<u>9,817,679</u>

d. Timing of revenues

Services transferred to customers

Over time

Membership subscriptions		4,952,705	8,158,493
		<u>4,952,705</u>	<u>8,158,493</u>

At a point in time

Professional services		6,233,499	6,897,872
Federal and State Government programs		14,712,157	7,367,103
Training		2,365,026	2,521,107
Income from investments		3,248,342	5,401,343
Gain on financial assets at fair value through profit or loss		4,605,929	-
Dividends		320,535	458,606
Other		1,199,782	2,256,301
JobKeeper		1,520,571	1,701,429
		<u>34,205,841</u>	<u>26,603,761</u>
		<u>39,158,546</u>	<u>34,762,254</u>

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For the year ended 30 June 2021

2. Revenue and Other Income (continued)

e. Contract balances			
Trade receivables	7	8,288,156	3,181,337
Contract liabilities	12	12,654,364	5,780,925

f. Significant performance obligations

Membership subscriptions

There are two performance obligations within each membership subscription.

Firstly the performance obligation attached with granting the member access to membership benefits including price list. This performance obligation is satisfied over time and payment is generally received either in advance or on a monthly basis in line with the membership.

The second performance obligation is surrounding membership entitlement credits granted to each member in the form of either tickets to future events or credits to offset future services. The performance obligation is satisfied upon delivery of the event or future service.

Membership entitlements are fair valued at the end of each reporting period in line with Note 1(r).

Federal and State Government programs (including grants)

Each federal and state government program including any grants that the Group receives is treated according to the performance obligations embedded in each program and/or grant.

Where there are sufficiently specific performance obligations, revenue is allocated and recognised in line with each performance obligation over time.

Where by grants do not contain sufficiently specific performance obligations they are treated under AASB 1058: Income for not-for-profit entities and are then accounted in line with Note 1(k)(v).

Professional services

The performance obligation is satisfied upon delivery of the services and payment is generally received either in advance or due within the Group's standard credit terms.

Training

The performance obligation is satisfied upon delivery of the services and payment is generally received either in advance or due within the Group's standard credit terms.

Outstanding performance obligations at year-end

At 30 June 2021 the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied is \$12,654,364 (2020: \$5,780,925) as per Note 12. The Group expects that these performance obligations will be satisfied and recognised as revenue over the coming 12 months.

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3. Surplus / (deficit) before tax

	2021	2020
	\$	\$
Surplus / (deficit) has been determined after:		
Short term rental costs	157,177	213,889
Affiliation fees paid to ACCI Office	661,000	661,000
Occupancy expenses	649,840	810,083
Consultancy fees	1,656,351	1,531,093
Advertising	806,194	537,383
Donations (< \$1,000)	-	333
Legal costs relating to litigation	-	-
Legal costs relating to other legal matters	67,684	70,080
Remuneration of Auditors		
Audit services	114,000	138,113
Other services	11,825	67,196

4. Employee Expenses

	2021	2020
	\$	\$
Employees other than office holders:		
Wages and salaries	15,770,111	16,332,886
Superannuation	1,337,072	1,402,598
Leave and other entitlements	909,762	635,067
(Writeback)/ cost of separation and redundancies	(430,385)	1,042,253
Subtotal employee expenses holders of office	17,586,560	19,412,804
Holders of office:		
Wages and salaries	858,309	797,575
Superannuation	60,035	63,887
Leave and other entitlements	-	8,317
Separation and redundancies	-	232,221
Subtotal employee expenses employees other than office holders	918,344	1,102,000
Total employee expenses	18,504,904	20,514,804

There were no other employee expenses incurred by the Group for 2021 or 2020.

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5. Key Management Personnel Compensation

a. Directors

Total number of Directors 10

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

Name of Officer	Office Held	Appointed	Resigned
Ms Karyn Sobels	President/Committee Member	22.11.2011	
Mr Adrian Kloeden	Deputy President/Committee Chair	19.11.2013	
Mr Don Rankin	Director/Committee Chair	20.11.2007	
Mr Robert van Stokrom	Director/Committee Member	18.11.2014	
Mr Brian Negus	Director/Committee Member	17.11.2016	
Ms Helen Fairclough	Director/Committee Chair	04.07.2018	
Mr Paul Guerra	Secretary/Chief Executive	03.02.2020	
Ms Kylie Warne	Director/Committee Member	14.11.2019	
Ms Michelle Winzer	Director/Committee Member	14.11.2019	31.03.2021
Mr Jeremy Blackshaw	Director/Committee Member	14.11.2019	
Ms Carlene Wilson	Director/Committee Member	31.03.2021	

b. Directors and key management personnel compensation

	2021	2020
	\$	\$
Wages and salaries	858,309	797,575
Superannuation	60,035	63,887
Leave and other entitlements	-	8,317
Separation and redundancy	-	232,221
	918,344	1,102,000

6. Cash and Cash Equivalents

Cash at bank	8,951,088	4,144,787
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Cash at bank includes deposits held in trust for the following purposes:

- Carnet deposits: \$372,098 (2020: \$469,554); and
- Grant funding: \$4,404,107 (2020: \$194,471)

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7. Trade and Other Receivables

CURRENT

Trade receivables	8,841,443	3,578,945
Less: Provision for expected credit loss	(553,287)	(397,608)
	8,288,156	3,181,337

Other receivables:

Accrued income	695,212	822,088
JobKeeper accrual	-	673,929
Other debtors	124,041	207,634
Receivables from other Reporting Units	-	-
	819,253	1,703,651
Amounts receivable from Workplace Assured	1,351,518	1,351,518
Impairment of loan from Workplace Assured	(1,351,518)	(1,351,518)
Total trade and other receivables	9,107,409	4,884,988

Credit Risk

The main source of credit risk for the Group relates to the loan receivable from Workplace Assured, which has been fully provided for at 30 June 2021. The Group has trade receivable balances with Workplace Assured which have been separately factored into the expected credit loss model.

The Group raised invoices totaling \$3,180,400 in June related to Federal and State Government Grants, wholly deferred at 30 June 2021. The Group has no other significant concentration of credit risk with respect to any other single counterparty or group of counterparties in relation to its trade and other receivables.

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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 \$
2021						
Trade receivables	8,841,443	553,287	5,839,470	962,877	556,463	929,346
Other receivables	819,253	-	819,253	-	-	-
Amounts receivable from non-controlled entity	1,351,518	1,351,518	-	-	-	-
	11,012,214	1,904,805	6,658,723	962,877	556,463	929,346
	\$	\$	<30 \$	31-60 \$	61-90 \$	>90 \$
2020						
Trade receivables	3,578,945	397,608	1,923,953	331,677	285,174	640,533
Other receivables	1,703,651	-	1,703,651	-	-	-
Amounts receivable from non-controlled entity	1,351,518	1,351,518	-	-	-	-
	6,634,114	1,749,126	3,627,604	331,677	285,174	640,533

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7. Trade and Other Receivables (continued)

	Provision for expected credit loss
	\$
Carrying amount at 30 June 2019	357,283
Charge for the year	528,913
Amounts written off	(488,588)
Carrying amount at 30 June 2020	397,608
Charge for the year	254,992
Amounts written off	(99,313)
Carrying amount at 30 June 2021	553,287

8. Financial Instruments

	2021	2020
	\$	\$
CURRENT		
Term deposits (Amortised cost)	1,488,729	1,507,253
NON-CURRENT		
Managed investments (FVTPL)	90,372,754	83,917,758
Total non-current financial instruments	90,372,754	83,917,758
Total financial instruments	91,861,483	85,425,011

During the 2021 financial year the Group, has transitioned all of their financial instruments as classified above through to a Nominee Custody Service. In doing so, the Group are no longer the legal owner of the financial instruments but continue to be the beneficial owner. As such, there is no change to the recognition of financial instruments at year-end or the risks and rewards the Group is exposed too.

9. Intangible Assets

NON-CURRENT		
Software – At cost	424,795	343,463
Project costs and system development – At cost	-	-
Accumulated amortisation	(267,134)	(207,720)
ERP/CRM Integrated Solution	2,369,542	2,348,938
Accumulated amortisation	(928,502)	(448,727)
	1,598,701	2,035,954

No impairment has been recognised in either 2021 or 2020.

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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.

	Computer software	System development	ERP/CRM Integrated Solution	Total
	\$	\$	\$	\$
Carrying amount at 30 June 2019	148,697	1,390	2,200,385	2,350,472
Amortisation expense	(54,750)	(1,390)	(448,962)	(505,102)
Additions	-	-	148,788	148,788
Disposals	(1,005,058)	-	-	(1,005,058)
Write back of depreciation	1,046,854	-	-	1,046,854
Carrying amount at 30 June 2020	135,743	-	1,900,211	2,035,954
Amortisation expense	(59,414)	-	(479,776)	(539,190)
Additions	81,332	-	20,605	101,937
Disposals	-	-	-	-
Write back of depreciation	-	-	-	-
Carrying amount at 30 June 2021	157,661	-	1,441,040	1,598,701

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10. Property, Plant and Equipment

	2021 \$	2020 \$
Leasehold Improvements		
Leasehold Improvements	5,294,632	5,294,632
Accumulated depreciation	(2,989,145)	(2,462,762)
Total Leasehold Improvements	2,305,487	2,831,870
Plant and Equipment		
Plant and equipment at cost	1,533,201	1,207,797
Accumulated depreciation	(1,070,470)	(906,758)
Total Plant and Equipment	462,731	301,039
Total Property, Plant and Equipment	2,768,218	3,132,909

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 2019	3,358,261	219,599	3,577,860
Additions	-	219,331	219,331
Depreciation expense	(526,391)	(137,891)	(664,282)
Disposals	-	(690,663)	(690,663)
Write back on depreciation	-	690,663	690,663
Carrying amount at 30 June 2020	2,831,870	301,039	3,132,909
Additions	-	325,404	325,404
Depreciation expense	(526,383)	(163,712)	(690,095)
Disposals	-	-	-
Write back on depreciation	-	-	-
Carrying amount at 30 June 2021	2,305,487	462,731	2,768,218

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11. Trade Payables

	2021 \$	2020 \$
CURRENT		
Unsecured Liabilities		
Trade Payables	572,574	641,476
Sundry payables and accrued expenses	2,615,835	772,613
Payables to employees	729,218	619,511
Carnet deposits held in trust	385,208	523,975
Payable in respect of legal costs relating to litigation	-	-
Payable in respect of legal costs relating to other legal matters	-	-
	4,302,835	2,557,575

12. Contract liability

CURRENT		
Deferred membership revenue	2,541,814	2,457,964
Deferred training revenue	56,811	86,600
Deferred grant revenue	7,179,716	623,745
Other deferred revenue	1,608,541	1,446,872
Provision for membership entitlements	265,381	269,461
Memberships paid in advance	1,002,101	896,283
	12,654,364	5,780,925

	Membership revenue \$	Training revenue \$	Grant revenue \$	Other revenue \$	Membership entitlements \$	Total deferrals \$
At 30 June 2019	3,298,217	262,020	331,185	163,565	-	4,054,987
Deferred	7,318,241	2,345,686	594,173	3,168,235	269,461	13,695,796
Released to profit or loss	(8,158,493)	(2,521,106)	(301,613)	(1,884,924)	-	(12,866,140)
At 30 June 2020	2,457,964	86,600	623,745	1,446,872	269,461	4,884,642
Deferred	5,036,555	2,335,237	8,203,325	4,805,297	-	20,380,414
Released to profit or loss	(4,952,705)	(2,365,026)	(1,647,354)	(4,643,628)	(4,080)	(13,612,793)
At 30 June 2021	2,541,814	56,811	7,179,716	1,608,541	265,381	11,652,263
Current	2,541,814	56,811	7,179,716	1,608,541	265,381	11,652,263
Non-Current	-	-	-	-	-	-

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13. Provisions

	2021	2020
	\$	\$
CURRENT		
Annual leave - employees	942,145	853,830
Annual leave - office bearers	49,579	16,378
Long service leave - employees	1,013,986	981,858
Long service leave - office bearers	-	167
Provision for restructure	126,463	1,095,781
Bonus provisions	347,744	169,676
	2,479,917	3,117,690
NON CURRENT		
Provision for make good	353,391	353,391
Long service leave - employees	78,617	155,133
Long service leave - office bearers	-	-
	432,008	508,524

Annual Leave

Staff within the Group are entitled to 20 days of Annual leave per year, with unused leave remaining at balance date recognise as a liability to the Group. It is expected the staff will continue to utilise their accrued annual leave in the following 12-month period.

Long Service Leave

Staff within the Chamber are entitled to Long Service leave after 10 years of service within the Group, and a pro rata payment of unused leave should they terminate their employment after 7 years. The group has reviewed their liability in this area and assessed, using probability of service records, a liability that reflects the probable future cash outflow to the Group. A portion has been recognised as non-current to reflect the requirement to reach the minimum 7 years of service.

Make Good Provisions

The Group operates several regional offices which have varying degrees of Make Good Provisions built into contractual lease arrangements. It has been assessed that the Group will be likely to incur these liabilities beyond the next 12 months.

Provision for Restructure

The organisation recorded a restructuring provision in 2021. The provision relates principally to the corporate restructure surrounding downsizing staffing requirements. The restructuring plan was drawn up and announced to the employees of before year-end when the provision was recognised in its consolidated financial statements. The restructuring is expected to be completed by 2022.

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13. Provisions (continued)

Bonus Provisions

Within the Group, designated staff has short term incentive arrangements included in their employment agreements. A review of these bonus arrangements has seen the Group recognise a liability which will be discharged fully within the next 12 months.

	Annual Leave	Long Service Leave	Make Good	Restructure	Bonus	Total
As at 30 June 2020	870,208	1,137,158	353,391	1,095,781	169,676	3,626,214
Additional provisions	375,188	192,856	-	-	501,529	1,069,573
Amounts used/ written back	(253,672)	(237,411)	-	(969,318)	(323,461)	(1,783,862)
As at 30 June 2021	991,724	1,092,603	353,391	126,463	347,744	2,911,925
Current	991,724	1,013,986	-	126,463	347,744	2,479,917
Non-Current	-	78,617	353,391	-	-	432,008

14. Reserves and Retained earnings

Restriction of Reserves and Retained earnings

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).

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15. Leases

a. Right of use assets

	2021	2020
	\$	\$
Net carrying amounts		
Buildings at cost	17,644,144	17,548,687
Accumulated depreciation	(3,276,935)	(1,621,505)
	14,367,209	15,927,183
	Buildings	Total
	\$	\$
Movement during the period		
As at 1 July 2020	15,927,183	15,927,183
Additions	95,456	95,456
Depreciation expense	(1,655,430)	(1,655,430)
As at 30 June 2021	14,367,209	14,367,209

b. Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2021	Total
	\$	\$
As at 1 July 2020	19,467,068	19,467,068
Additions	101,250	101,250
Accretion of interest	667,148	667,148
Payments	(1,741,498)	(1,741,498)
As at 30 June 2021	18,493,968	18,493,968
Total current lease liability	1,499,334	1,499,334
Total non-current lease liability	16,994,634	16,994,634

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15. Leases (continued)

c. The following are the amounts recognised in profit or loss:

	2021	2020
	\$	\$
Depreciation expense of right-of-use assets	1,655,430	1,527,040
Interest expense on lease liabilities	667,148	681,076
Expense relating to short-term leases	165,814	213,889
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	2,488,392	2,422,005

d. Future minimum lease payments:

Not later than one year	2,123,751	1,776,592
Later than one year and not later than five years	11,244,245	10,830,931
Later than five years	8,453,553	10,848,049
Total current lease payments	21,821,549	23,455,572

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16. Related Party Transactions

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

PITCHER PARTNERS

During the financial year, the Victorian Chamber made payments to Pitcher Partners of \$255,904(2020: \$297,439) in respect of professional advisory and tax services and portfolio management services performed and received payments from Pitcher Partners of \$142,837 (2020: \$239,307) in respect of membership, sponsorship, consulting, events and training work performed. Don Rankin (Director) was a consultant (2019: President) at Pitcher Partners during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, \$36,400 (2020: \$nil) was still unpaid in the Groups creditor ledger, and \$42,418 (2020: \$73,993) 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 \$937,482 (2020: \$952,051) in respect of affiliation fees, trade documentation and events and received payments from ACCI of \$159,534 (2020: \$200,592) in respect of rent, consulting, events and training work performed. Paul Guerra (Chief Executive) and Karyn Sobels (Director) were both 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 \$nil (2020: \$nil) was still unpaid in the Groups creditor ledger, and \$4,400 (2019: \$133,306) was outstanding in the Groups debtor ledger.

INTERNATIONAL TRADE MANAGEMENT (ITM)

During the financial year, the Victorian Chamber received payments from ITM of \$11,404 (2020: \$11,839) in respect of membership subscriptions, consulting and events. Don Rankin (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, \$1,550 (2020: \$nil) was still outstanding in the Groups debtor ledger.

SKS HUB PTY LTD (SKS)

During the financial year, the Victorian Chamber received payments from SKS Hub of \$770 (2020: \$770) 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.

TELSTRA LICENSEE ASSOCIATION (TLA)

During the financial year, the Victorian Chamber received payments from TLA of \$1,320 (2020: \$ nil) in respect of memberships. 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. At the 30th June, \$nil (2020: \$nil) was still outstanding in the Groups debtor ledger.

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16. Related Party Transactions (continued)

DFP RECRUITMENT SERVICES (DFP)

During the financial year, the Victorian Chamber received payments from DFP of \$70,309 (2020: \$15,400 in respect of membership, sponsorship, consulting, events and training work performed. Payments were made of \$340,213 (2020: \$161,923). 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 \$20,355 (2020: \$nil) was still unpaid in the Groups creditor ledger.

MELBOURNE CONVENTION AND EXHIBITION CENTRE (MCEC)

During the financial year, the Victorian Chamber made payments to MCEC of \$70,915 (2020: \$229,148) in respect of events venue hiring, Internship Program and Partnership Program and received payments from MCEC of \$40,610 (2020: \$14,726) in respect of membership, event and training work performed. Helen Fairclough was a Director at MCEC during the financial year. All services rendered were made in an arm's length commercial basis. At the 30th June, \$52,950 (2020: \$nil) was outstanding in the Groups creditor ledger.

BRAND BUREAU

During the financial year, the Victorian Chamber received payments from Brand Bureau of \$nil (2020: \$385) in respect of membership, consulting, events and training work performed. Kylie Warne (Director) was the Director during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, \$nil (2020: \$nil) was still outstanding in the Groups debtor ledger.

MINTER ELLISON

During the financial year, the Victorian Chamber made payments to Minter Ellison of \$40,231 (2020: \$nil) in respect of legal services and received payments from Minter Ellison of \$29,700 (2020: \$29,905) in respect of membership. Jeremy Blackshaw (Director) was the Managing Partner during the financial year. All services rendered were made on an arm's length commercial basis. At the 30th June, \$nil (2020: \$nil) was still outstanding in the Groups debtor ledger.

MICHELLE WINZER

During the financial year, the Victorian Chamber made payments to Michelle Winzer of \$69,385 (2020: \$7,500) in respect to an internal project. All services rendered were made on an arm's length commercial basis. At the 30th June, \$nil (2020: \$nil) was still outstanding in the Groups creditor ledger.

RELATED PARTY MEMBER TRANSACTIONS

The principal 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.

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17. Interests in Subsidiaries

a. Information about Principal 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 principal place of business is also its country of incorporation.

Name of Subsidiary	Place of Principal/ Place of Business	Ownership Interest Held by the Group	
		2021	2020
		%	%
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

b. Significant Restrictions

There are no significant restrictions over subsidiaries

TRANSACTIONS BETWEEN SUBSIDIARIES

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 \$NIL to CCI Victoria Legal Trust (2020: \$NIL). During the financial year, the Victorian Chamber received \$NIL from CCI Victoria Legal trust (2020: \$NIL).

As at 30 June 2021, the Victorian Chamber has outstanding loan balances with CCI Victoria Legal Trust of \$NIL (2020: \$NIL). The Group assesses whether there is objective evidence that the loan balances have been impaired at each reporting date, and as such, the total amount for CCI Victoria Legal Trust is impaired.

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18. Interests in Associate

a. Information about Associate

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.

b. Information about Associate

Name of Associate	Place of Principal Place of Business by the Group	% Ownership interest held	Primary Activities
Workplace Assured Pty Ltd (ACN: 612 651 966)	Sydney, Australia	49%	Employment Insurance

c. Summarised financial information about the Associate

	2021	2020
	\$	\$
Total Assets	1,504,607	2,035,380
Total Liabilities	(6,320,858)	(6,723,427)
Net Assets	(4,816,251)	(4,688,047)
Revenue	3,561,045	3,435,367
Expenses	(3,689,249)	(4,448,593)
Total Losses	(128,204)	(1,013,226)
Share of Losses	(62,820)	(496,481)

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18. Interests in Associate (continued)

d. Share of losses in Associate

Unrecognised share of losses at the beginning of the year	(2,157,518)	(1,661,037)
Unrecognised share of losses for year	(62,820)	(496,481)
Cumulative total of unrecognised share at year-end	(2,220,338)	(2,157,518)

Associate 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 \$890,110 (2020: \$1,002,124) in respect of services performed and made an unsecured loan of \$1,351,518 (fully impaired) (2020: \$1,351,518). Paul Guerra (Chief Executive Officer) has been 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.

19. Cash Flow Information

	2021	2020 (restated)
	\$	\$
Surplus / (deficit) after income tax	6,564,613	(6,210,355)
Non-cash flows:		
- Depreciation and Amortisation	2,763,196	2,687,756
- Depreciation and Amortisation – applied to Federal and State Government Program	121,520	-
- Provision for Bad Debts / loan impairment	254,992	61,337
- Change in fair value of investments	(6,454,996)	4,080,456
- Investment income reinvested	(1,738,859)	(3,709,190)
- Interest income reinvested	(33,342)	(36,974)
- Accretion of interest on lease liabilities	667,148	681,076
Changes in assets and liabilities:		
Increase in receivables and prepayments	(4,473,148)	(995,110)
Increase / (decrease) in payables and contract liabilities	8,618,952	724,132
(Decrease) / increase in provisions	(714,289)	(1,458,960)
CASH FLOWS USED IN OPERATING ACTIVITIES	5,575,786	(762,560)

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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.

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 analyze 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 Group in meeting its financial targets, whilst minimizing 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 focused on achieving medium to long term investment gains.

(i) Financial Risk Exposures and Management

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

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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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash at bank	0.01	0.250	8,951,088	4,144,787	-	-	-	-	8,951,088	4,144,787
Financial assets-term deposits	0.70	1.725	-	-	1,488,729	1,507,253	-	-	1,488,729	1,507,253
Financial assets-managed investments	-	-	11,481,237	4,232,974	18,928,499	20,410,886	59,962,889	59,273,768	90,372,625	83,917,628
Trade and other receivables	-	-	-	-	-	-	9,107,409	5,184,169	9,107,409	5,184,169
Total Financial Assets	-	-	20,432,325	8,377,761	20,417,228	21,918,139	69,070,298	64,457,937	109,919,851	94,753,837
Financial Liabilities										
Trade and other payables	-	-	-	-	-	-	4,303,088	2,557,574	4,303,088	2,557,574
Total Financial Liabilities	-	-	-	-	-	-	4,303,088	2,557,574	4,303,088	2,557,574

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20. Financial Risk Management (continued)

Investment Risk Management

b. Market Risk

The maximum exposure to market risk, which is the risk that a financial instrument’s fair 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(e).

c. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities primarily deposits with banks and financial institutions.

Trade receivables and contract assets

Customer credit risk is managed by the Group’s finance team dictated by the Group’s policies, procedures and controls relating to customer risk management.

An impairment analysis is performed at each reporting date using an expected credit loss model which is applied to all trade receivable and contract asset balances that are subject to credit risk. The Group considers the key revenue streams subject to credit risk being membership, professional service and training revenue. The Group looks at the 5 year rolling average of bad debts written off against these revenue streams adjusted for the following factors when calculating the expected credit loss model:

- Customer receivable balances over 365+ days, and
- Related party receivables whereby they have increased control on recoverability.

Based on this credit risk evaluation, the simplified expected credit loss model implies a loss rate of the revenue streams subject to credit at 30 June 2021 was 4.01% (2020: 2.26 %)

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low.

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 \$4,303,088 (2020: \$2,557,574) which are due for payment within 1 year. With cash equaling \$8,951,088 (2020: \$4,144,787), and liquid assets of \$20,700,340 (2020: \$11,417,103) held in financial assets, the Group has sufficient financial and liquid assets available to meet its debts as and when they fall due.

e. 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 summarizes 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 2021 is \$59,962,889 (2020: \$59,273,768).

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20. Financial Risk Management (continued)

Investment Risk Management (continued)

	Profit	Equity
	\$	\$
Year ended 30 June 2021		
Fair value on 3% movement	+/- 1,798,887	+/- 1,798,887
Fair value on 5% movement	+/- 2,998,144	+/- 2,998,144
Fair value on 10% movement	+/- 5,996,289	+/- 5,996,289
Year ended 30 June 2020		
Fair value on 3% movement	+/- 1,778,214	+/- 1,778,214
Fair value on 5% movement	+/- 2,963,688	+/- 2,963,688
Fair value on 10% movement	+/- 5,927,377	+/- 5,927,377

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.

	2021	2020
Cash	13%	5%
Fixed Interest	16%	19%
Australian Shares	12%	10%
Overseas Shares	9%	7%
Australian property	-%	-%
Overseas Property	-%	-%
Unlisted Property	38%	46%
Alternatives	7%	7%
	Profit	Equity
	\$	\$
Year ended 30 June 2021		
2% in interest rate	+/- 408,391	+/- 408,391
10% in listed investments	+/- 5,996,289	+/- 5,996,289
Year ended 30 June 2020		
2% in interest rate	+/- 167,555	+/- 167,555
10% in listed investments	+/- 5,927,377	+/- 5,927,377

Victorian Chamber of Commerce and Industry
 ABN 37 650 959 904
 Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

21. Fair Value Measurements

The Group measures and recognizes 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 categorizes 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 categorized into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can assess 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 maximize, 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.

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.

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 Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

21. Fair Value Measurements (continued)

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 maximize the use of observable inputs and minimize 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 recognized on a recurring basis after initial recognition and their categorization within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2021				
Financial assets				
Managed investments at fair value through profit or loss	90,372,625	-	-	90,372,625
2020				
Financial assets				
Managed investments at fair value through profit or loss	83,917,758	-	-	83,917,758

There has been no change in the valuation techniques used to calculate the fair values disclosed in the consolidated financial statements. There has been no transfer between fair value hierarchies during the year.

Victorian Chamber of Commerce and Industry
 ABN 37 650 959 904
 Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

22. Parent Entity

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2021	2020
	\$	\$
Statement of Financial Position		
ASSETS		
Current assets	20,690,183	11,406,906
Non-current assets	109,226,744	105,013,804
TOTAL ASSETS	129,916,927	116,420,710
LIABILITIES		
Current liabilities	20,911,848	12,892,562
Non-current liabilities	17,426,642	18,514,364
TOTAL LIABILITIES	38,338,490	31,406,926
EQUITY		
Retained earnings	91,578,437	85,013,784
TOTAL EQUITY	91,578,437	85,013,784
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus / (deficit)	6,564,653	(6,195,686)
Total Comprehensive Income / (Loss) for the year	6,564,653	(6,195,686)

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

23. Organisation 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.

24. Additional Disclosures - S253 of 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:

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, 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.
- 3) A reporting unit must comply with an application made under subsection (1).

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Officer Declaration Statement

For the year ended 30 June 2021

I, Paul Guerra, being the Chief Executive Officer of the Group, declare that the following activities did not occur during the reporting period ending 30 June 2021:

The Group did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- receive a donation that exceeded \$1,000
- pay other employee expenses to holders of office
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a separation and redundancy provision in respect of holders of office
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Name: Paul Guerra
Title of office held: Secretary and Chief Executive



Signature

Date: 4th November 2021

Victorian Chamber of Commerce and Industry
ABN 37 650 959 904
Committee of Management Statement

For the year ended 30 June 2021

On 19th October 2021, 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 (GPFR) for the financial year ended 30 June 2021:

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

- a) The consolidated financial statements and notes comply with the Australian Accounting Standards;
- b) The consolidated financial statements and notes comply with 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);
- c) the consolidated financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- 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 GPFR 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 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner;
 - 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.

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

Name: Paul Guerra
Title of office held: Secretary and Chief Executive

Signature: 

Date: 4th November 2021

Name: Karyn Sobels
Title of office held: President

Signature: 

Date: 4th November 2021



Take the lead

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF THE
VICTORIAN CHAMBER OF COMMERCE & INDUSTRY

Opinion

We have audited the financial report of the Victorian Chamber of Commerce and Industry (“the Reporting Unit”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 30 June 2021, 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).

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

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

Brisbane Level 14 12 Creek Street Brisbane QLD 4000 T + 61 7 3085 0888	Melbourne Level 10 530 Collins Street Melbourne VIC 3000 T + 61 3 8635 1800	Perth Level 25 108 St Georges Terrace Perth WA 6000 T + 61 8 6184 5980	Sydney Level 8 167 Macquarie Street Sydney NSW 2000 T + 61 2 8059 6800
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Information Other than the Financial Report and Auditor's Report Thereon

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

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

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

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

Responsibilities of the 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 directors are 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 directors either intend to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this 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 directors.

- Conclude on the appropriateness of the directors' 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, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 auditor registered under the RO Act.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood

Hayley Underwood
Partner

Melbourne, 4 November 2021

Registration number: AA2017/54

