



14 December 2023

Christopher Hummer  
President  
Victorian Automotive Chamber of Commerce  
Sent via email: [vacc@vacc.com.au](mailto:vacc@vacc.com.au)  
CC: [Kylee.Byrne@pitcher.com.au](mailto:Kylee.Byrne@pitcher.com.au)

Dear Christopher Hummer,

**Victorian Automotive Chamber of Commerce  
Financial Report for the year ended 30 June 2023 – (FR2023/118)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Victorian Automotive Chamber of Commerce. The documents were lodged with the Fair Work Commission (the Commission) on 4 December 2023.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these concerns have been addressed prior to filing next year's report.

**Reference to Registered Organisations Commissioner**

The Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

I note that items (e)(iv) of the Executive Board's declaration and note 1 refer to the Commissioner instead of the General Manager of the Fair Work Commission.

**Reporting Requirements**

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Kylie Ngo**  
**Fair Work Commission**

**Chris Hummer**  
PRESIDENT



**Victorian Automotive  
Chamber of Commerce**

ABN 63 009 478 209

VACC House  
650 Victoria Street  
NORTH MELBOURNE VIC 3051

P: 03 9829 1111

E: [president@vacc.com.au](mailto:president@vacc.com.au)

1 December 2023

General Manager  
Fair Work Commission  
GPO Box 1994  
Melbourne VIC 3001

*Email: [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au)*

Dear Sir/Madam

**Financial Report of the Victorian Automotive Chamber of Commerce**

I, Chris Hummer, being the President of the Victorian Automobile Chamber of Commerce, certify:

- that the documents lodged herewith are copies of the full financial report of the Victorian Automotive Chamber of Commerce for the period ended 30 June 2023 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*;
- that the financial report was provided to members of the Victorian Automotive Chamber of Commerce on 27 October 2023; and
- that the financial report was presented to the Annual General Meeting of the Victorian Automotive Chamber of Commerce on 22 November 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours faithfully

A handwritten signature in black ink, appearing to read 'C. Hummer', with a long, sweeping horizontal stroke extending to the right.

**Christopher Hummer**

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

---

<b>CONTENTS</b>	<b>PAGE NO.</b>
Consolidated Statement of Comprehensive Income	2
Consolidated Statement of Financial Position	3
Consolidated Statement of Changes in Members' Funds	4
Consolidated Statement of Cash Flows	5 - 6
Notes to and Forming Part of the Financial Statements	7 - 31
Executive Board's Governance Statement	32
Executive Board's Declaration	33
Operating Report	34 - 36
Expenditure Report	37
Auditor's Independence Declaration	38
Independent Auditor's Report	39-41

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Consolidated \$	2022 Consolidated \$
Revenues from Contracts with Customers	4(A)	46,963,825	46,302,992
Expenses from Operating Activities	4(B)	(43,351,044)	(42,474,226)
Net Result from Operating Activities		3,612,781	3,828,766
Operating Result for the Year	16	3,612,781	3,828,766
<i>Net gain/(loss) from investments at fair value through profit and loss</i>			
- (Decrease)/Increase of VACC Special Capital Fund	4(C), 17	11,478,849	(17,901,402)
Net Result for the year		15,091,630	(14,072,636)
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
- Revaluation Gain on Properties	17	-	3,497,257
- Change in Fair Value of Available for Sale Financial Assets – asset revaluation reserve	17	1,400,373	(392,430)
- Sale of Investment Property		(625,000)	-
- Foreign Currency Transaction Reserve	17	31,404	(20,930)
<b>Other Comprehensive Income for the Year</b>		806,777	3,083,897
<b>Total Comprehensive Income for the Year</b>		15,898,407	(10,988,739)

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

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Consolidated \$	2022 Consolidated \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	18	2,625,715	2,980,797
Receivables	6	5,224,446	4,778,813
Inventories	7	336,047	296,060
Prepayments	8	426,784	294,180
<b>TOTAL CURRENT ASSETS</b>		<b>8,612,992</b>	<b>8,349,850</b>
<b>INVESTMENT FUNDS</b>	9	<b>200,504,257</b>	<b>185,804,568</b>
<b>NON-CURRENT ASSETS</b>			
Investments	10	6,068,468	5,361,404
Property	11	44,230,495	45,275,000
Plant and Equipment	12	2,506,865	2,837,690
Lease Assets	20	345,556	303,563
<b>TOTAL NON-CURRENT ASSETS</b>		<b>53,151,384</b>	<b>53,777,657</b>
<b>TOTAL ASSETS</b>		<b>262,268,633</b>	<b>247,932,075</b>
<b>CURRENT LIABILITIES</b>			
Payables	13	2,597,665	3,206,110
Lease Liabilities	20	156,269	128,050
Income in Advance	14	5,289,113	6,409,987
Provisions	15	3,537,146	3,391,637
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,580,193</b>	<b>13,135,784</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	20	98,643	107,013
Provisions	15	83,466	81,354
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>182,109</b>	<b>188,367</b>
<b>TOTAL LIABILITIES</b>		<b>11,762,302</b>	<b>13,324,151</b>
<b>NET ASSETS</b>		<b>250,506,331</b>	<b>234,607,924</b>
<b>MEMBERS' FUNDS</b>			
Revenue Accumulation	16	206,596,683	202,983,902
Reserves	17	43,909,648	31,624,022
<b>TOTAL MEMBERS' FUNDS</b>		<b>250,506,331</b>	<b>234,607,924</b>

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

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Asset Revaluation Reserve \$	Investment Funds Reserve \$	Foreign Currency Transaction Reserve \$	Revenue Accumulation \$	Total \$
<b>CONSOLIDATED BALANCE AT 1 JULY 2021</b>		5,039,699	41,397,634	4,194	199,155,136	245,596,663
Revaluation of shares	17	(392,430)	-	-	-	(392,430)
Revaluation of Investment Properties	17	3,497,257	-	-	-	3,497,257
Foreign Currency Transaction Reserve	17	-	-	(20,930)	-	(20,930)
Result for the Year	17	-	-	-	(14,072,636)	(14,072,636)
<b>TOTAL COMPREHENSIVE INCOME</b>		8,144,526	41,397,634	(16,736)	185,082,500	234,607,924
Transfer to VACC Special Capital Fund	17	-	(17,901,402)	-	17,901,402	-
<b>CONSOLIDATED BALANCE AT 30 JUNE 2022</b>		8,144,526	23,496,232	(16,736)	202,983,902	234,607,924
<b>CONSOLIDATED BALANCE AT 1 JULY 2022</b>		8,144,526	23,496,232	(16,736)	202,983,902	234,607,924
Revaluation of Shares	17	1,400,373	-	-	-	1,400,373
Sale of Investment Property	17	(625,000)	-	-	-	(625,000)
Foreign Currency Transaction Reserve	17	-	-	31,404	-	31,404
Result for the Year		-	-	-	15,091,630	15,091,630
<b>TOTAL COMPREHENSIVE INCOME</b>		8,919,899	23,496,232	14,668	218,075,532	250,506,331
Transfer to VACC Special Capital Fund	17	-	11,478,849	-	(11,478,849)	-
<b>CONSOLIDATED BALANCE AT 30 JUNE 2023</b>		8,919,899	34,975,081	14,668	206,596,683	250,506,331

The above Consolidated Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes.

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 Consolidated \$	2022 Consolidated \$
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>			
Receipts from Members and Customers		45,242,436	44,234,349
Payments to Suppliers and Employees		(55,433,871)	(49,120,837)
Movement in Asset Revaluation Reserve		(625,000)	-
Borrowing Costs		(9,668)	(18,403)
Movement in Foreign Currency Translation Reserve		31,404	(20,930)
Goods and Services Tax		2,691,629	23,857
<b>Net cash flows (used in)/from Operating Activities</b>		<b>(8,103,070)</b>	<b>(4,901,964)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distributions from Special Capital Fund		5,395,917	5,774,446
Distributions from VACC Building Fund		638,995	18,900,000
Dividends received		138,093	138,093
Sale of TACC House		1,275,000	-
Sales of Carsales Share		2,563,500	-
Purchase of Carsales Shares		(1,575,325)	-
Purchase of Property		-	(18,823,925)
Payments of Plant and Equipment		(677,343)	(2,450,719)
Payments for Operating Leases		(157,058)	(981,074)
Proceeds from Sale of Plant and Equipment		146,209	66,782
<b>Net Cash Flows from Investing Activities</b>		<b>7,747,988</b>	<b>2,623,603</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Movement in Financing facilities		-	-
<b>Net Cash Flows from Financing Activities</b>		<b>-</b>	<b>-</b>
Net (Decrease)/Increase in Cash held		(355,082)	(2,278,361)
Add Opening Cash Brought Forward		2,980,797	5,259,158
<b>CLOSING CASH CARRIED FORWARD</b>	<b>18</b>	<b>2,625,715</b>	<b>2,980,797</b>

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



VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023

Notes	2023 Consolidated \$	2022 Consolidated \$
<b>RECONCILIATION OF RESULT WITH NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Operating Result for the Year	3,612,781	3,828,766
<b>NON CASH FLOWS IN OPERATING RESULT</b>		
Bad Debts	(42,462)	(11,326)
Provision for Doubtful Debts	-	(22,000)
Depreciation of Plant and Equipment	690,715	394,976
Amortisation of Right of Use Assets	134,914	1,123,476
Profit/Loss on Disposal of Plant and Equipment	(59,251)	-
Movement in Foreign Currency Translation Reserve	31,404	(20,930)
Movement in Asset Revaluation Reserve	(625,000)	-
Unrealised Loss on Investments	(294,866)	-
Realised Movement in Investments Net of Management Fees	(9,255,752)	(9,130,617)
Dividends Received	(138,093)	(138,093)
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
(Increase)/Decrease in Receivables	(403,171)	(52,810)
(Increase)/Decrease in Inventories	(39,987)	(25,060)
(Increase)/Decrease in Prepayments	(132,604)	11,060
(Decrease)/Increase in Payables	(608,445)	869,880
(Decrease)/Increase in Income in Advance	(1,120,874)	(1,888,800)
Increase/(Decrease) in Employee Provisions	147,621	159,514
<b>NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
	<u>(8,103,070)</u>	<u>(4,901,964)</u>

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

**1. INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER OF THE REGISTERED ORGANISATIONS  
COMMISSION**

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

In accordance with the requirements of Section 272 (5) of the Fair Work (Registered Organisations) Act 2009, the attention of Members is drawn to the provisions of Sub-Sections (1), (2), and (3) of Section 272 of the RO Act, which reads as follows:

- i) 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.
- ii) 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.
- iii) A reporting unit must comply with an application made under Sub-Section (1).

**2. CORPORATE INFORMATION**

This Financial Report for VACC for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Executive Board on 25 October 2023. The nature of the operations and principal activities of the VACC are described on Pages 34-36.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(A) Basis of Preparation**

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the RO Act and Australian Accounting Standards Interpretations and other authoritative pronouncements of the Australian Standards Board. The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes on assets as described in the accounting policies. All figures are in AUD unless otherwise stated. VACC is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

**(B) Going Concern**

The Financial Report has been prepared on a going concern basis.  
VACC is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis. VACC has agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**(C) Principles of Consolidation**

The consolidated Financial Statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all entities which the parent has the power to control the financial and operating policies so as to obtain benefits from its activities.

The Financial Statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

**(D) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards. Compliance with Australian equivalent to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRSs).

**(E) Accounting Judgements, Estimates & Assumptions**

In the process of applying VACC accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

*(i) Unlisted Investments*

The fair value of unlisted investments is determined using valuation techniques, including reference to recent 'arm's length' market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Management has determined the most relevant techniques for its unlisted investments.

*(ii) Property*

The fair value of property is determined by obtaining a current market value.

**(F) Revenue from contracts with customers**

Revenue is recognised when or as it transfers control of goods or services to the customer. VACC accounts for an arrangement as a contract with a customer if the following criteria are met:

- 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 other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

The following specific recognition criteria must also be met before revenue is recognised:

*(i) Sale of Goods*

Revenue is derived from sale of goods. Revenue is recognised as, or when, goods are transferred to the customer, and is measured at an amount that reflects the consideration to which the Association expects to be entitled in exchange for the goods.

*(ii) Rendering of Services*

Membership subscriptions are payable annually or in instalments, in advance of the membership period. Only those receipts attributable to the current year are recognised as revenue. Fees and subscription receipts relating to periods beyond the current financial year are shown in the Consolidated Statement of Financial Position as Income in Advance under the heading Current Liabilities.

*(iii) Interest*

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

*(iv) Dividends*

Revenue is recognised when VACC's right to receive payment is established.

*(v) Rental Income*

Rental income from properties is accounted for when VACC's right to receive the payment is established.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(vi) Government Grants*

Government grants are recognised when there is reasonable certainty that the grant will be received, and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

*(vii) Recovery of Apprentice Wages from Host Employers*

Revenue is recognised when VACC's right to receive payment is established being the completion of the hours worked by the Apprentice.

*(viii) Other Income*

Revenue is recognised when VACC's right to receive payment is established.

All revenue is stated net-of-the amount of goods and services tax (GST).

**(G) Cash Assets**

Cash assets in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, held at call with financial institutions.

**(H) Trade and Other Receivables**

Trade receivables, which generally have 30-45 days term, are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

An allowance for impairment is made when there is objective evidence that VACC will not be able to collect the debts. Bad debts are written off when identified.

**(I) Inventories**

Inventories are valued at the lower of cost and net realisable value.

**(J) Taxes**

*(i) Income Taxes*

Section 11-5 subdivision (50-15) of the Income Tax Assessment Act 1997 exempts VACC from Income Tax, however, VACC still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

*(ii) Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

- i When the GST incurred on a purchase of goods and service is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and,
- ii Receivables and Payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(K) **Properties, Plant and Equipment**

Plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line or diminishing value basis over the estimated useful life commencing from the time the asset is held ready for use.

Depreciation rates and methods for each class of assets are:

Office equipment – 20% and 33.33% straight-line

Furniture and fittings – 20% straight-line

Motor vehicles – 22.50% diminishing value

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

(i) *Impairment*

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit, in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

(ii) *Derecognition and Disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the year the asset is derecognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) *Revaluation of Property*

Gains or losses from the revaluation of property are recognised in the Consolidated Statement of Comprehensive Income.

(L) **Financial Instruments**

**Financial Assets**

*Initial recognition and measurement*

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Classification of financial assets*

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

*Classification of financial liabilities*

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the group are subsequently measured at amortised cost.

*Trade and other receivables*

Trade and other receivables arise from the group's transactions with its members and customers and are normally settled within 30-45 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

*Long-term equity instruments*

The group's investment portfolio comprises direct or indirect holdings in equities and other instruments listed on the Australian Securities Exchange and unlisted managed funds that are not held for trading. All financial instruments are recognised at their fair value at the date the group obtains control of the asset. On initial recognition, directly held investments identified by the group as long-term equity instruments are irrevocably designated (and measured) at fair value through other comprehensive income. This election has been made as the directors' believe that to otherwise recognise changes in the fair value of these investments in profit or loss would be inconsistent with the objective of holding the investments for the long term.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Impairment of financial assets*

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers and contract assets.

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The group considers a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30-45 days past due.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The group determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

**(M) Trade and Other Payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the group prior to the end of the financial year in which they are unpaid and arise when the group becomes obliged to make future payments in respect of the purchase of these goods and services.

**(N) Provisions**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(O) Employee Leave Benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

**(P) Investment Funds**

The VACC Special Capital Fund is administered by an Investment Committee. The Investment Committee uses various Specialist Fund Managers in the administration of a range of investments, valued by the Managers at net market value. The VACC Special Capital Fund and VACC Charitable Fund have been recorded in the Financial Statements at redemption price.

The components of the VACC Special Capital Fund and VACC Charitable Fund are readily tradable, however the nature of the Funds is such that it is not expected to be ordinarily consumed or converted into cash within twelve months of the reporting date, although components of the Funds may be so consumed or converted. Accordingly, the VACC Special Capital Fund and VACC Charitable Fund are considered neither a current nor a non-current asset.

The change in the value of the VACC Special Capital Fund and VACC Charitable Fund during the year, including the aggregate difference between the price realised on disposal of the VACC Special Capital Fund and VACC Charitable Fund components and their redemption price at reporting date have been recorded in the Consolidated Statement of Financial Position (Refer Note 17).

Interest, dividends and other distributions received from the VACC Special Capital Fund and VACC Charitable Fund during the year have been recorded in the Consolidated Statement of Comprehensive Income (Refer Note 4A).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(Q) Leases**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

*Lease assets*

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

*Lease liabilities*

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

*Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

**(R) Interest in a Joint Arrangement**

VACC has an interest in one joint arrangement whereby two or more entities enter into a contractual arrangement to undertake an economic activity that is subject to joint control. VACC recognises the expenses it incurs and the income that it earns by the joint arrangement in the Consolidated Statement of Comprehensive Income. Any initial funding contributed to the joint arrangement is capitalised where the Board believes the receipt of future economic benefits are probable.

**(S) Use of Funds**

All surpluses generated by VACC are used to advance the interests of its members and the automotive industry generally.

**(T) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

4. OPERATING RESULT	2023 Consolidated \$	2022 Consolidated \$
The operating result has been determined after:		
<b>(A) Revenues from contracts with customers</b>		
Income from Investment Funds:		
Foreign Income	1,712,021	814,714
Dividend Income	1,267,537	1,173,726
Interest Income	230,830	32,094
Other Distribution Income	4,446,399	7,057,668
	7,656,787	9,078,202
Member Subscriptions	3,960,864	4,397,102
Capitation Fees	-	-
Compulsory Levies	-	-
Grants and Donations	-	-
Events Activity	196,562	10,000
iStore Sales	231,385	224,212
Rental Income	22,951	33,857
Dividend Income	158,703	138,093
Advertising Income	509,019	327,503
Recovery of Apprentice Wages from Host Employers	23,605,907	20,935,708
Commissions Received	280,541	319,988
Employment, Education and Training Income	2,501,057	3,775,434
OurAuto Digital Income	1,144,583	1,557,037
OurAuto Technical Income	848,638	642,483
MotorTech Income	3,609,732	3,996,838
Profit on Sale of TACC House	1,000,000	-
Profit on Sale of Carsales Shares	507,984	-
Other Income	729,112	866,535
<b>Total Revenues from contracts with customers</b>	46,963,825	46,302,992

Recovery of wages activity has not occurred in the reporting period.

(B) Expenditure from Operating Activities:	2023 Consolidated \$	2022 Consolidated \$
Auditor's Remuneration in respect of:		
Audit Services	56,650	51,500
Other Services	49,150	92,740
Aggregate Auditor's Remuneration	105,800	144,240
Legal costs - Litigation	-	-
Legal costs – Other Legal Matters	37,929	66,810
Membership Subscriptions	231,939	232,507
Affiliation Fees paid to ACCI and CVIAA	141,000	138,700
Capitation Fees	-	-
Compulsory Levies	-	-
Investment Management Fees	200,850	215,035
Amount Paid as Remuneration to Employees of the Organisation	28,437,340	26,629,599
Amount Paid as Separation and Redundancies	186,287	72,526
Amount Paid in Respect of Superannuation	2,813,871	2,495,273
Administrative Expenses	794,171	1,052,401
Provision for Annual Leave	76,074	82,112
Provision for Long Service Leave	71,482	77,553

## 4. OPERATING RESULT (continued)

	2023 Consolidated \$	2022 Consolidated \$
<b>(B) Expenditure from Operating Activities:</b>		
Provision for Doubtful Debts	-	(22,000)
Grants – Total paid that were \$1,000 or less	-	-
Grants – Total paid that exceeded \$1,000	-	-
Donations – Total paid that were \$1,000 or less	165	500
Donations – Total paid that exceeded \$1,000	12,300	23,522
Board and Industry Policy Council (IPC) Expenses	161,608	331,471
Depreciation of Furniture and Fittings	293,511	93,955
Depreciation of Plant and Equipment	245,786	160,595
Depreciation of Motor Vehicles	151,418	140,426
Amortisation of Lease Assets	134,914	1,123,476
Bad Debts	42,462	11,326
Stock Write Off	16,917	652
Loss on Disposal of Plant and Equipment	-	-
Advertising Expenses	1,009,616	1,362,712
Cost of Inventory Purchases	169,474	164,333
Industry Divisions and Membership Expenses	576,331	395,574
Employment, Education & Training Expenses	2,112,282	2,224,204
Marketing, Media & Communication Expenses	525,824	449,743
Industrial/Workplace Relations Expenses	145,574	176,392
VACC Events Activity	450,146	72,434
Costs relating to Properties	445,747	516,855
Penalties – via RO Act or RO Regulations	-	-
Technical Expenses	1,160,355	1,034,939
OurAuto Digital Expenses	545,879	694,946
OurAuto Technical Expenses	557,290	550,067
OurAuto Administrative Expenses	63,084	99,265
Other Operating Expenses	1,423,950	1,643,680
<b>Total Operating Expenses Other than Borrowing Costs</b>	<b>43,341,376</b>	<b>42,455,823</b>
Finance Charges	9,668	18,403
<b>Total Borrowing Cost</b>	<b>9,668</b>	<b>18,403</b>
<b>Total Operating Expenses</b>	<b>43,351,044</b>	<b>42,474,226</b>

	2023 Consolidated \$	2022 Consolidated \$
<b>(C) Net Gain/(Loss) from investments at Fair Value through Profit and Loss:</b>		
Increase/(Decrease) of VACC Special Capital Fund	11,478,849	(17,901,402)
Total Net Gain/(Loss) from investments at Fair Value through Profit and Loss	11,478,849	(17,901,402)

VACC did not incur expenses relating to allowances paid to persons in respect of their attendances as representatives of VACC at conferences or other meetings or penalties imposed under the RO Act with respect to VACC's conduct during the reporting period.

VACC incurred \$67,826 (2022: \$66,285) of operating expenses in connection with holding meetings of members, of Industry Policy Councils and Boards of which VACC was wholly or partly responsible.

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

5. EMPLOYEE EXPENSES:

	Employees		Office Bearers/Board		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
<b>CONSOLIDATED</b>						
Wages and Salaries	25,450,631	24,148,284	154,240	88,406	25,604,871	24,236,690
Superannuation	2,800,643	2,486,432	13,228	8,841	2,813,871	2,495,273
Leave & Other Entitlements	2,832,469	2,392,909	-	-	2,832,469	2,392,909
Separation & redundancies	186,287	72,526	-	-	186,287	72,526
Other employee expenses	-	-	-	-	-	-
	<u>31,270,030</u>	<u>29,100,151</u>	<u>167,468</u>	<u>97,247</u>	<u>31,437,498</u>	<u>29,197,398</u>

Office Bearers/Board Members have been paid salary and superannuation as shown above and as set out in Note 26. There were no other employee expenses incurred for employees or office bearers during 2023.

In FY2022, Office Bearers/Board Members received an allowance of \$1,000 a month for five months and were then paid salary and superannuation from 1 December 2021.

	2023 Consolidated \$	2022 Consolidated \$
<b>6. RECEIVABLES:</b>		
Current:		
Trade and other Receivables	5,252,446	4,806,813
Provision for Doubtful Debts	(28,000)	(28,000)
	<u>5,224,446</u>	<u>4,778,813</u>

	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
	\$	\$	\$	\$	\$	\$
<b>Consolidated 2023</b>	3,932,086	28,000	3,739,391	26,875	15,645	122,175
Trade receivables						
Other receivables	1,320,360	-	1,320,360	-	-	-
	<u>5,252,446</u>	<u>28,000</u>	<u>5,059,751</u>	<u>26,875</u>	<u>15,645</u>	<u>122,175</u>
<b>2022</b>						
Trade receivables	3,874,537	28,000	3,573,530	211,080	27,087	34,840
Other receivables	932,276	-	932,276	-	-	-
	<u>4,806,813</u>	<u>28,000</u>	<u>4,505,806</u>	<u>211,080</u>	<u>27,087</u>	<u>34,840</u>

**VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>
<b>7. INVENTORIES</b>		
Printed Stationery	157,888	158,267
Diagnostic Tool Stock	124,736	95,117
HazCheck Stock	17,044	15,672
Member Signs	36,379	27,004
	<b>336,047</b>	<b>296,060</b>

Inventories relate to Diagnostic Tools, VACC signs and finished goods held at offsite locations and at TACC Head Office and are valued at the lower of cost or net realisable value.

**8. PREPAYMENTS**

Prepayments	426,784	294,180
-------------	---------	---------

**9. INVESTMENT FUNDS COMPRISES:**

VACC Special Capital Fund:		
Equity Funds <sup>1</sup>	158,379,305	143,132,605
Units in Property Trust <sup>2</sup>	21,524,778	22,834,643
Discounted Security and Liquidity Fund <sup>3</sup>	18,592,769	10,979,072
	<b>198,496,852</b>	<b>176,946,320</b>
VACC Charitable Fund		
Discounted Security and Liquidity Fund <sup>3</sup>	2,007,405	-
VACC Building Fund:		
Discounted Security and Liquidity Fund <sup>3</sup>	-	8,858,248
	<b>200,504,257</b>	<b>185,804,568</b>

The investments in the VACC Special Capital Fund and Charitable Fund are held through units in managed investments.

1. The fair value of the units is determined with reference to the listed equities held.
2. The fair value of the units is determined with reference to the underlying investments of the fund, being unlisted property.
3. The fair value of the units is determined with reference to the underlying investments of the fund, being corporate debt instruments.

During the year, the VACC Charitable Fund was established, and the earnings of the Fund are to be used to support charitable donations requests received and approved by the VACC Board.

During the year, the VACC Building Fund was closed as it was no longer required, and the remaining balance was transferred to the VACC Charitable Fund.

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023 Consolidated \$	2022 Consolidated \$
<b>10. INVESTMENTS:</b>		
Investments at fair value:		
VTDA/ATRA Investments (Cost \$96,521)	94,278	90,828
IAG Shares (Cost \$4,807)	5,700	4,360
Suncorp Shares (Cost \$10,475)	13,490	10,980
carsales.com Ltd <sup>1</sup> (Cost \$50,000)	5,955,000	5,255,236
	6,068,468	5,361,404

<sup>1</sup> The Company is an online automotive, motorcycle and marine classifieds business in Australia. VACC holds a 0.001% (2022:0.001%) ownership interest in carsales.com Ltd.

	2023 Consolidated \$	2022 Consolidated \$	
<b>11. PROPERTY:</b>			
<b>(A) Non Current</b>			
VACC House, 650 Victoria Street North Melbourne – at fair value (Cost \$41,077,743)	44,000,000	44,000,000	
North Melbourne Capital Works	230,495	-	
TACC House, 200 New Town Road, New Town, Tasmania - at fair value (Cost \$676,150)	-	1,275,000	
	44,230,495	45,275,000	
<b>(B) Reconciliations</b>	<b>North Melb.</b>	<b>TACC House</b>	<b>Total</b>
Opening Balance	44,000,000	1,275,000	45,275,000
Total gains/(losses) recognised in Asset Revaluation Reserve	-	(625,000)	(625,000)
Disposal of Property – TACC House	-	(650,000)	(650,000)
Additions to VACC House	230,495	-	230,495
Closing Balance	44,230,495	-	44,230,495

TACC House was sold on 9 December 2022 for \$1,650,000.

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2023

12. PLANT AND EQUIPMENT	2023 Consolidated \$	2022 Consolidated \$
<b>(A) Plant and Equipment</b>		
Furniture and Fittings – Cost	1,517,078	1,451,279
Accumulated Depreciation	(387,507)	(93,996)
Net Book Value	<u>1,129,571</u>	<u>1,357,283</u>
Plant and Equipment – cost	1,055,580	1,053,913
Accumulated Depreciation	(452,079)	(206,293)
Net Book Value	<u>603,501</u>	<u>847,620</u>
Motor Vehicles - cost	1,215,835	1,045,733
Accumulated Depreciation	(442,042)	(412,946)
Net book value	<u>773,793</u>	<u>632,787</u>
Total Net Book Value	<u><u>2,506,865</u></u>	<u><u>2,837,690</u></u>

12. PLANT AND EQUIPMENT	2023 Consolidated \$	2022 Consolidated \$
<b>(B) Reconciliations</b>		
Furniture and Fittings:		
Carrying Amount at Beginning	1,357,283	705
Additions	65,799	62,362
Transfers from Property	-	1,388,317
Disposals	-	(146)
Depreciation Expense	(293,511)	(93,955)
	<u>1,129,571</u>	<u>1,357,283</u>
Plant and Equipment:		
Carrying Amount at Beginning	847,620	339,439
Additions	1,667	26,442
Transfers from Property	-	645,002
Disposals	-	(2,668)
Depreciation Expense	(245,786)	(160,595)
	<u>603,501</u>	<u>847,620</u>
Motor Vehicles:		
Carrying Amount at Beginning	632,787	508,585
Additions	379,382	328,596
Disposals	(86,958)	(63,968)
Depreciation Expense	(151,418)	(140,426)
	<u>773,793</u>	<u>632,787</u>



VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2023

	2023 Consolidated \$	2022 Consolidated \$
<b>13. PAYABLES</b>		
Trade Payables	609,633	778,967
Other Payables	1,988,032	2,427,143
	2,597,665	3,206,110

At balance date, there were no payables owing to employers as consideration for the employers making payroll deductions of membership subscriptions and there were no payables in respect of legal costs and other expenses relating to litigation and other legal matters.

<b>14. INCOME IN ADVANCE</b>		
Income In Advance	5,289,113	6,409,987
	5,289,113	6,409,987

<b>15. PROVISIONS</b>		
Current:		
Annual Leave – employees	2,414,593	2,338,455
Annual Leave – Office bearers/Board	-	-
Long Service Leave – employees	1,122,553	1,053,182
Long Service Leave – Office bearers/Board	-	-
Separation & Redundancies – employees	-	-
Separation & Redundancies – Office bearers/Board	-	-
Other employee provisions – employees	-	-
Other employee provisions – Office bearers/Board	-	-
	3,537,146	3,391,637
Non- Current:		
Long Service Leave – employees	83,466	81,354
Long service leave – Office bearers/Board	-	-
	83,466	81,354
Aggregate Employee Entitlement Liability	3,620,612	3,472,991

There were no further provisions for employees or Office bearers/Board including separation and redundancies.

<b>16. REVENUE ACCUMULATION</b>		
Accumulated Surplus		
Opening Balance	202,983,902	199,155,136
Result for the year	3,612,781	3,828,766
	206,596,683	202,983,902

**Restriction of Member's Funds**

Retained member's funds are not available for distribution to members. The retained member's funds are available for the operations of the organisation. In the event of the organisation winding up, member's funds shall be given or transferred to some other institution or institutions having objects similar to the objects of VACC to be determined by the members in compliance with VACC's Registered Rules (clause 41).

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30 JUNE 2023

	2023 Consolidated \$	2022 Consolidated \$
<b>17. RESERVES</b>		
VACC Special Capital Fund Reserve:		
Opening Balance	23,496,232	41,397,634
Transfer from revenue accumulation	11,478,849	(17,901,402)
Closing Balance	34,975,081	23,496,232
Asset Revaluation Reserve		
Opening Balance	8,144,526	5,039,699
Revaluation/(Diminution) of Investments in shares	1,400,373	(392,430)
Revaluation of Properties	-	3,497,257
Disposal of Property	(625,000)	-
Closing Balance	8,919,899	8,144,526
Foreign Currency Transaction Reserve:		
Opening Balance	(16,736)	4,194
Result for the Year	31,404	(20,930)
Closing Balance	14,668	(16,736)
<b>Total Reserves</b>	43,909,648	31,624,022

**Nature and purpose of Reserves**

The Special Capital Fund Reserve is used to record increments and decrements of the VACC Special Capital Fund.  
 The Asset Revaluation Reserve is used to record increments and decrements in the value of non-current assets.  
 The Foreign Currency Transaction Reserve is used to translate the trial balance of the Subsidiary into the reporting currency.

	2023 Consolidated \$	2022 Consolidated \$
<b>18. RECONCILIATION OF CASH</b>		
Cash and Cash Equivalents	2,625,715	2,980,797

**19. INTEREST IN JOINT VENTURE ARRANGEMENT**

VACC had an interest in one Joint Venture arrangement, which is not material to the group. The Melbourne Leisurefest was a Joint Venture arrangement between the Caravan Trade & Industries Association of Victoria (CTIAV), and VACC, which expired at the completion of the 2022 Leisurefest event in October. VACC was paid a Licence Fee from CTIAV for the use of our VACC Trademark to promote the event.

	2023 Consolidated \$	2022 Consolidated \$
Income	35,000	-
Capitalised Seed Funding	-	-

**20. LEASE ASSETS AND LEASE LIABILITIES****Lease assets**

Carrying amount of lease assets, by class of underlying asset:

*Building under lease arrangement*

At cost	77,520	-
Accumulated Amortisation	(45,220)	-
	<u>32,300</u>	<u>-</u>

*Equipment under lease arrangements*

At cost	507,432	710,635
Accumulated Amortisation	(194,176)	(407,072)
	<u>313,256</u>	<u>303,563</u>

Total carrying amount of lease assets	<u>345,556</u>	<u>303,563</u>
---------------------------------------	----------------	----------------

	Building \$	Equipment \$	Total \$
Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:			
Carrying amount at 1 July 2022	-	303,563	303,563
Additions	77,520	203,869	281,389
Amortisation	(45,220)	(194,176)	(239,396)
Carrying amount at 30 June 2023	<u>32,300</u>	<u>313,256</u>	<u>345,556</u>

	2023 Consolidated \$	2022 Consolidated \$
<b>Lease liabilities</b>		
Current lease liabilities	156,269	128,050
Non-current lease liabilities	98,643	107,013
Total carrying amount of lease liabilities	<u>254,912</u>	<u>235,063</u>

**Lease expenses and cashflows**

Interest expense on lease liabilities	9,668	14,096
Amortisation expense on lease assets	134,914	1,123,476
Total cash outflow in relation to leases	157,058	973,058

**21. CONTINGENCY**

In the event of the winding up of the Motor Trades Association of Australia Limited (MTAA), VACC has a limited liability of \$10 (2022: \$10).

In the event of the winding up of the Australian Refrigeration Council Ltd, VACC has a limited liability of \$100 (2022:\$100).

**22. CONTROLLED ENTITIES**

Name of entity	Country of Incorporation	Class of Shares	Equity holding	
			2023	2022
			%	%
OurAuto New Zealand Limited	New Zealand	Ordinary	100	100
Victorian Motor Trades Association Pty Ltd	Australia	Ordinary	2	-

VACC did provide cash flows to OurAuto New Zealand Limited during the financial year.

VACC did not receive cash flows from another reporting unit and/or controlled entity during the financial year.

The Consolidated Financial Statements incorporate the assets, liabilities and results of OurAuto New Zealand Limited, that was established on 1 October 2018, in accordance with the accounting policy described in accounting policy note 3(C).

**23. FINANCIAL RISK MANAGEMENT**

**Terms, Conditions and Accounting Policies**

Receivables arise from the sale of a range of products and services made on credit, due in 30-45 days. The total of receivable at reporting date is shown net of a provision for amounts estimated to be uncollectible. Interest is not charged on outstanding amounts.

Details of the terms, conditions and accounting policy associated with the VACC Special Capital Fund and the VACC Building Fund Investments are set out in accounting policy note 3(P). Investment Managers' mandates permit the use of derivatives to cover investment and foreign currency exposure. The use of derivatives is not to exceed the underlying physical investment.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether billed to VACC. Trade accounts payable are normally settled on 30-45 day terms and no interest is incurred on those accounts.

The consolidated entity is exposed to a variety of financial risks comprising:

- a. Market risk
- b. Interest rate risk
- c. Fair values
- d. Credit risk

The Executive Board has overall responsibility for identifying and managing operational and financial risks.

**(A) Market Risk**

**Price Risk**

Investments in listed securities at fair value through profit and loss are measured at fair value at reporting date based on current bid prices. If security prices were to increase/decrease by 10% from fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on total comprehensive income for the year and equity is as follows:

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Listed Securities	2023 Consolidated \$	2022 Consolidated \$
+/- 10% price variation	20,657,272	19,116,597
Impact on pre-tax result	20,657,272	19,116,597
Tax effect	-	-
Impact on equity	20,657,272	19,116,597

(B) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in the market interest rates.

The exposure to interest rate in relation to future cash flows and the effective weighted average interest rates on classes of financial assets and financial liabilities is as follows:

	Level	Interest Bearing \$	Non-Interest bearing \$	Total carrying amount \$	Weighted average effective interest rate %	Fixed/ Variable rate
<b>Financial Instruments 2023</b>						
<i>(i) Financial assets</i>						
Cash		2,625,715	-	2,625,715	0.00	Variable
VACC Special Capital Fund	2	-	198,496,852	198,496,852		
VACC Charitable Fund	2	-	2,007,405	2,007,405		
Investments	1,2	-	6,068,468	6,068,468		
Trade and other receivables		-	5,252,446	5,252,446	0.00	Fixed
Total financial assets		2,625,715	211,825,171	214,450,886		
<i>(ii) Financial liabilities</i>						
Trade and other payables		-	2,597,665	2,597,665		
Lease Liabilities		254,912	-	254,912	6.77	Variable
Total financial liabilities		254,912	2,597,665	2,852,577		
<b>Financial Instruments 2022</b>						
<i>(iii) Financial assets</i>						
Cash		2,980,797	-	2,980,797	0.00	Variable
Special Capital Fund	2	-	176,946,320	176,946,320		
VACC Building Fund	2	-	8,858,248	8,858,248		
Investments	1,2	-	5,361,404	5,361,404		
Trade and other receivables		-	4,806,813	4,806,813	0.00	Fixed
Total financial assets		2,980,797	195,972,785	198,953,582		
<i>(iv) Financial liabilities</i>						
Trade and other payables		-	3,206,110	3,206,110		
Lease Liabilities		235,063	-	235,063	6.77	Variable
Total financial liabilities		235,063	3,206,110	3,441,173		

**23. FINANCIAL RISK MANAGEMENT (continued)**

*Sensitivity*

If interest rates were to increase/decrease by 1% from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on the result for the year and equity is as follows:

	Consolidated Entity 2023	Consolidated Entity 2022
	\$	\$
<b>+/-1%</b>		
Impact on result after tax	26,257	29,807
Impact on equity	26,257	29,807

**(C) Fair Values**

The following methods and assumptions are used in determining the net fair values of financial assets and liabilities:

The net fair values of financial instruments, all of which are recognised in the financial statements, approximate the amounts at which they are carried in the Consolidated Statement of Financial Position and in the Notes to the Financial Statements. In relation to an asset, the fair value is calculated after deducting costs expected to be incurred were the asset to be exchanged, and, in relation to a liability, the fair value is calculated after adding costs expected to be incurred were the liability to be settled.

**(D) Credit Risk**

VACC's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Consolidated Statement of Financial Position. Credit risk exposure arises predominantly from outstanding receivables from customers and is limited by VACC trading with a large number of customers.

Trade receivables are all within approved terms with the exception of 5%.

**24. FAIR VALUE MEASUREMENTS**

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

- Financial assets at fair value through profit and loss, and
- Freehold land and buildings.

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

**A. Fair Value Hierarchy**

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

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

**24. FAIR VALUE MEASUREMENTS (continued)**

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

**B. Valuation Techniques**

The reporting unit 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 reporting unit are consistent with one or more of the following valuation approaches:

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

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

The tables included in Note 23 (B) provide the fair values of the reporting units' assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

**25. RELATED PARTY DISCLOSURES**

The Members of the Victorian Automotive Chamber of Commerce Board during the financial year were:

C. J. Hummer – Chairman  
M. W. Awramenko  
P. Bertoli  
C. Beruldsen  
S. Cetindag (from 23 November 2022)  
M. Grubb  
P. Hopper (from 23 November 2022)  
M. Jones (from 23 November 2022)  
T. Parkes  
F. Bortolotto (1 July 2022 to 23 November 2022)  
J. Buskes (1 July 2022 to 23 November 2022)  
T. Sanchez (1 July 2022 to 23 November 2022)

Transactions with Board Members are carried out on arm's length commercial terms and conditions that are no more favourable than other transactions with Members. Transactions, based on arm's length commercial terms and conditions that are no more favourable than other transactions with businesses that VACC Members represent, were carried out with businesses that Board Members represent.

**25. RELATED PARTY DISCLOSURES (CONTINUED)**

During the year, businesses related to Board Members paid VACC \$881,659 (2022: \$469,261), which included their VACC Membership subscriptions, hosting of VACC/TACC apprentices, purchasing of MotorTech licences, leasing of diagnostic tools, participating in the TACC Accreditation Program, purchase of TACC Roadside Help vouchers, 2023 CY diaries and iStore products, website hosting, Local Area Marketing and SEO services and domain name renewal.

During the year, VACC paid on behalf of Board members or reimbursed businesses related to Board Members and Board Members \$21,066 (2022: \$35,827) relating to HOBEC's, costs incurred when on VACC business and attending automotive conferences, forwarding on Federal Government Wage Subsidies, attending Governance training and membership of the Australian Institute of Company Directors (AICD).

At 30 June 2023, Specialist Auto Electrics Pty Ltd, owned by Michael Grubb, a Board Member owed VACC \$107,671 (2022: \$89,514) as a Host Employer of apprentices. This debt has been repaid in full to VACC.

<b>26. REMUNERATION OF THE BOARD</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Board Members</b>		
Amounts paid or payable or otherwise made available to Board Members.	167,468	142,247

Board members received Salary and Superannuation, the total received varied depending on if the Board Member was also the President or they Chaired a Board Committee.

Other than disclosed in Note 25, there were no other employee expenses incurred for Board Members during 2023 and 2022.

**27. MEETINGS OF DIRECTORS**

The number of meetings of the Executive Board and of each Board Committee held during the year ended 30 June 2023, and the number of meetings attended by each Director was:

	EXECUTIVE BOARD		FINANCE AND AUDIT COMMITTEE		INVESTMENT COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
M.W. Awramenko	9	8	10	9	4	3
P. Bertoli	9	8	*	*	*	*
C. Beruldsen	9	9	5	4	*	*
M. Grubb	9	6	10	6	*	*
P. Hopper	5	5	*	*	*	*
C. J. Hummer	9	9	10	10	4	4
M. Jones	5	5	*	*	2	2
T. Parkes	9	7	*	*	*	*
S. Cetindag	5	3	*	*	*	*
F. Bortolotto	4	4	4	4	2	2
J. Buskes	4	4	*	*	*	*
T. Sanchez	4	4	4	4	*	*

\* Not a member of the Committee.



**VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

<b>28. REMUNERATION OF AUDITORS</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Amounts received or due and receivable by Pitcher Partners for:		
An audit or review of the financial report of the entity and any other entity in the consolidated entity	56,650	51,500
WorkWell Project Audit	-	4,000
Independent Assessments Project Audit	-	6,000
Other non-audit services		
- General Financial Advice	11,900	40,510
- Ongoing investment advice	31,250	30,000
- Review of FBT Return and lodgement with the ATO	6,000	5,750
- General Advice on OurAuto New Zealand Limited	-	1,900
- Tax advice on OurAuto New Zealand Limited	-	4,580
	<b>105,800</b>	<b>144,240</b>

**29. SEGMENT INFORMATION**

VACC operates predominantly in one industry segment as the peak Employer Organisation for the retail automotive industry in Victoria and Tasmania.

**30. SUBSEQUENT EVENTS**

Except for the above, there were no events that occurred after 30 June 2023, and/or prior to the signing of the financial statements that has significantly affected or may significantly effect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the consolidated entity.

**31. ORGANISATION INFORMATION**

Victorian Automotive Chamber of Commerce (VACC) is:

- ▶ Domiciled in Australia.
- ▶ Incorporated under the Fair Work (Registered Organisations) Act 2009 and its registration number is 191V.
- ▶ Registered address and principal place of business is VACC House, 650 Victoria Street North Melbourne, Vic 3051.
- ▶ Principal activity is that of an Employer Organisation.
- ▶ Number of employees as at 30 June 2023 was 84 full time and 13 part time/casual employees.
- ▶ Number of apprentices/trainees as at 30 June 2023 was 535.
- ▶ Number of Members at 30 June 2023 was 4,873.

VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

32. PARENT ENTITY INFORMATION

Summarised presentation of VACC's financial statements:

	2023 \$	2022 \$
<b>(A) Summarised Statement of financial position</b>		
<b>Assets</b>		
Current assets	9,068,610	8,792,184
Investments – VACC Special Capital Fund	198,496,852	176,946,320
Investments – VACC Building Fund	-	8,858,248
Investments – VACC Charitable Fund	2,007,405	-
Non-current assets	53,151,476	53,777,748
Total assets	262,724,343	248,374,500
<b>Liabilities</b>		
Current liabilities	11,552,934	13,085,580
Non-current liabilities	182,109	188,367
Total liabilities	11,735,043	13,273,947
<b>Net assets</b>	250,989,300	235,100,553
<b>Equity</b>		
Asset Revaluation Reserve	8,919,899	8,144,526
VACC Special Capital Fund Reserve	34,975,081	23,496,232
Retained Earnings	207,094,320	203,459,795
Total equity	250,989,300	235,100,553
<b>(B) Summarised statement of comprehensive Income</b>		
Surplus/(Loss) for the year	15,113,375	(13,925,030)
Other comprehensive income for the year	775,373	3,104,827
Total comprehensive income for the year	15,888,748	(10,820,203)

33. ADDITIONAL DISCLOSURES – SECTION 253 OF FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the RO Act Reporting Guidelines, the following disclosures are made:

- ▶ VACC's ability to continue as a going concern is not reliant on the agreed financial support of another entity.
- ▶ VACC agreed to provide financial assistance to its subsidiary, OurAuto New Zealand Limited, in order for its subsidiary to be able to pay their debts as and when they become payable.
- ▶ VACC has not acquired any assets or liabilities during the financial year as a result of an amalgamation under Part 2 of Chapter 3 of the RO Act in which it was amalgamated organisation; a restructure; a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure; or a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).
- ▶ No funds were paid by VACC during the financial year to employers as consideration for the employers making payroll deductions of membership subscriptions.
- ▶ VACC was not involved in a business combination during the financial year.
- ▶ No funds or accounts were operated in respect of compulsory levies.
- ▶ VACC did not receive any other revenue from another reporting unit during the financial year.
- ▶ VACC did not have a receivable with another reporting unit during the financial year.
- ▶ VACC did not have a payable with another reporting unit during the financial year.
- ▶ VACC did not have another entity administer the financial affairs of the reporting unit during the financial year.
- ▶ VACC did not make a payment to a former related party of the reporting unit.

**VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**EXECUTIVE BOARD'S GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

---

The Board recognises that a genuine commitment to sound principles of corporate governance is fundamental to the sustainability of the VACC and its performance.

**BOARD RESPONSIBILITIES**

The Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board ensures that Management's objectives and activities are aligned with the expectations and risks identified by the Board and has a number of mechanisms in place to ensure this is achieved.

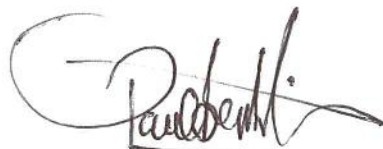
These mechanisms include the following:

- ▶ Development and approval of initiatives and strategies designed to ensure the continued growth and success of the Victorian Automotive Chamber of Commerce;
- ▶ Approval of operating plans and budgets prepared by Management and Board monitoring of progress against budget;
- ▶ Establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes;
- ▶ Overseeing risk management policies, practice and performance; and,
- ▶ Overseeing compliance and governance policies and practices and ensuring the VACC business is conducted legally, ethically and responsibly.

On behalf of the Board,



Christopher Hummer  
PRESIDENT



Paul Bertoli  
VICE PRESIDENT

25 October 2023  
Melbourne

**VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**EXECUTIVE BOARD'S DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2023**

---

On 25 October 2023, the Executive Board of the Victorian Automotive Chamber of Commerce passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the organisation for the financial year ended 30 June 2023.

The Executive Board declares in relation to the GPFR that in its opinion:

- (a) The Financial Statements and Notes comply with Australian Accounting Standards;
- (b) The Financial Statements and Notes comply with the financial reporting guidelines of the Commissioner;
- (c) The Financial Statements and Notes give a true and fair view of the financial performance, financial position and cash flows of the organisation for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the organisation 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 Executive Board were held in accordance with the Rules of the Organisation,
  - (ii) The financial affairs of the organisation have been managed in accordance with the Rules of the Organisation,
  - (iii) The financial records of the organisation have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 (RO Act),
  - (iv) The information sought in any request of a member of the organisation or the Commissioner duly made under Section 272 of the RO Act has been furnished to the member or the Commissioner; and,
  - (v) No orders have been made by the General Manager of the Fair Work Commission under Section 273 of the RO Act during the period.

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

On behalf of the Board,



Christopher Hummer  
PRESIDENT



Paul Bertoli  
VICE PRESIDENT

25 October 2023  
Melbourne

I, Chris Hummer, being the designated officer responsible for preparing this Operating Report for the financial year ended 30 June 2023 of the Victorian Automotive Chamber of Commerce, report as follows:

**Principal Activities:**

The Victorian Automotive Chamber of Commerce ("VACC") is an employer organisation, which provides various services to members operating in the retail automotive industry, these include:

1. Representing members in industrial matters and advocacy before industrial tribunals and courts.
2. Representing the retail automotive industry in discussions and consultations with regulators and other bodies and before Federal and State Government inquiries.
3. Promoting and protecting retail automotive businesses in Victoria and Tasmania.
4. Developing and promoting the adoption of uniform and equitable forms of contracts, hiring agreements and other documents used in retail automotive businesses.
5. Providing assistance, advice, information and consultation services in the areas of specialist technical services, industrial relations, human resource management, OHSE, workers' compensation management and education and training.
6. Conducting training seminars in equal opportunity, occupational health safety, environment, WorkCover, workplace agreements, employment, etc.
7. Provide Members with access to goods and services that will assist them and enhance their business.
8. To provide mechanisms to be in tune and aware of global trends and influences for the benefit of VACC members.
9. Operating a group training scheme for Apprentices and Trainees.
10. Provide support services for the industry such as apprentice mentoring, apprentice recruitment, career promotion and national training standards review.
11. Operating the VACC Skills Development Centre, offering certificate, diploma and short courses in automotive business management, technical skills and employment related short courses.
12. Facilitate for the provision of Government (Grant) Programs designed to improve employment opportunities and skills training in the industry.
13. Manage the Women in Automotive (WinA) Network.
14. Development of Codes of Practice and Accreditation programs.
15. Collection and circulation of statistics and other information relating to the retail automotive trade.
16. Publishing periodicals.
17. Market and distribute value-for-money business products (eg, Business insurance, Technical Information, and digital services) to automotive businesses throughout Victoria and Tasmania.
18. Market and distribute value-for-money business products (eg, Business insurance, Technical Information, and digital services) to automotive businesses throughout Australia and New Zealand.

### Review of Principal Activities

VACC and its subsidiaries reported a consolidated Operating surplus of \$3,612,781 (2022: surplus \$3,828,766) for the year ended 30 June 2023.

Operating Revenue from contracts with members and customers were \$46,963,825 (2022: \$46,302,992) and operating activities expenses were \$43,351,044 (2022: \$42,474,226) resulting in an Operating surplus of \$3,612,781 (2022: \$3,828,766). The consolidated net assets at 30 June 2023 totalled \$250,506,331 (2022: \$234,607,924).

### Significant Changes

There were no significant changes in the state of affairs of the Association during the financial year.

### Manner of Resignation:

Members may resign from the Association in accordance with clause 11, which reads as follows:

- (1) Any member may resign their membership in accordance with this clause 11 and from the date of such resignation, such member shall cease to be a member, but will nevertheless remain liable for and pay to the Association all moneys which at the time they cease to be a member may be due by the member to the Association, and at once return (at their cost) all badges, certificates, and/or other property of the Association held by the member.

Subject to section 178 of the Act, any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.

- (2) A notice of resignation by a member must be in writing and addressed to the Secretary and must be delivered to the Secretary by:
  - (a) Leaving it with the Secretary personally;
  - (b) Leaving it in an envelope addressed to the Secretary at the registered office of the Association; or,
  - (c) Posting it in an envelope addressed to the Secretary at the registered office of the Association.
- (3) The notice of resignation takes effect:
  - (a) Where the member ceases to be eligible to become a member of the Association;
    - (i) On the day on which the notice is received by the Association; or,
    - (ii) 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,
  - (b) In any other case:
    - (i) At the end of two weeks after the notice is received by the Association; or,
    - (ii) On the day specified in the notice,Whichever is later.
- (4) A notice delivered to the Secretary will be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not invalid because it was not addressed to and delivered to the Secretary.
- (6) A resignation from membership of the Association is valid even if it is not affected in accordance with this clause 11 if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

**VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

---

**Officers or Members holding the position of a trustee of a superannuation entity.**

There were no officers or members who were a trustee, or a director of a company that is a trustee, of a Superannuation entity, because they are a member or an officer of VACC.

**Number of Members**

The number of members at 30 June 2023 who were recorded on the Register of Members of the Association was 4,873 (2022: 5,016).

**Number of Employees**

The number of employees of the Association at 30 June 2023 was 97 (2022: 102) plus 535 (2022:511) apprentices/trainees.

**Members of the Executive Board**

For all of the financial year, the persons who held office as Members of the Executive Board of the Association as the governing body of VACC, were:

Mark Awramenko  
Paul Bertoli  
John Buskes (from 1 July to 23 November 2022)  
Craig Beruldsen  
Fury Bortolotto (from 1 July to 23 November 2022)  
Sid Cetindag (from 23 November 2022)  
Paul Hopper (from 23 November 2022)  
Michael Grubb  
Chris Hummer  
Matt Jones (from 23 November 2022)  
Trevor Parkes  
Tony Sanchez (from 1 July to 23 November 2022)

On behalf of the Board,



Christopher Hummer  
PRESIDENT

25 October 2023  
Melbourne

**VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY**  
**EXPENDITURE REPORT FOR THE YEAR ENDED 30 JUNE 2023**

---

The Executive Board presents the Expenditure Report in accordance with subsection 255(2A) of the RO Act for the Victorian Automotive Chamber of Commerce for the year ended 30 June 2023.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Categories of expenditure:		
Remuneration and other employment related costs and expenses - employees	31,585,054	29,357,063
Advertising	1,009,616	1,362,712
Operating Costs	9,863,599	10,167,015
Donations to Political parties	12,300	23,522
Legal costs	37,929	66,810

On behalf of the Board,



Christopher Hummer  
PRESIDENT

25 October 2023  
Melbourne



VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE  
ABN 63 009 478 209AUDITOR'S INDEPENDENCE DECLARATION TO  
THE MEMBERS OF THE EXECUTIVE BOARD OF THE VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE  
AND CONTROLLED ENTITY

In relation to the independent audit for the financial year ended 30 June 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Fair Work (Registered Organisations) Act 2009*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Victorian Automotive Chamber of Commerce and the entity it controlled during the year.



K L BYRNE  
Partner



PITCHER PARTNERS  
Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/154

Date: 25 October 2023

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Victorian Automotive Chamber of Commerce (the VACC) and controlled entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the Executive Board's declaration, the subsection 255(2A) report and the Operating Report.

In our opinion, the accompanying financial report of the Group is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and other requirements imposed by the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

*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 Group in accordance with the auditor independence requirements of the *Fair Work (Registered Organisations) Act 2009* and the ethical requirements of the Accounting Professional and 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.

*Other Information*

The Executive Board are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY

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 Executive Board for the Financial Report*

The Executive Board of the VACC are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Board are responsible for assessing the ability of the Group 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 Group 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Group's internal control.

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
VICTORIAN AUTOMOTIVE CHAMBER OF COMMERCE AND CONTROLLED ENTITY

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

We communicate with those charged with governance 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.



K L BYRNE  
Partner



PITCHER PARTNERS  
Melbourne

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/154

Date: 25 October 2023