Fair Work Commission

20 December 2023

Paul Guerra
Secretary
Victorian Chamber of Commerce and Industry

Sent via email: info@victorianchamber.com.au
CC: bmorgan@sw-au.com

Dear Paul Guerra

Victorian Chamber of Commerce and Industry
Financial Report for the year ended 30 June 2023 – FR2023/56

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Victorian Chamber of Commerce and Industry (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 6 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 next year's financial report 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 matters have been addressed prior to filing next year's report.

1. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the Commission website, in particular, the fact sheet 'Financial reporting process' which explains the timeline requirements, and the fact sheet 'summary of financial reporting timelines' which sets out the timelines in diagrammatical format. The Commission website also contains a 'Compliance Calculator' to help organisations comply with the RO Act timelines.

I note that the following timescale requirements were not met:

Documents must be lodged with Commission within 14 days after general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the Commission within 14 days after the general meeting of members referred to in section 266.

The designated officer's certificate indicates that this meeting occurred on 21 November 2023. If this is correct the documents should have been lodged with the Commission by 5 December 2023.

The full report was not lodged until 6 December 2023.

Please note that in future financial years if the reporting unit cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

2. General Purpose Financial Report (GPFR)

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 16(c)(ii) - have a long service leave provision in respect of holders of office
- Item 16(c)(iv) - have other employee provisions in respect of holders of office
- Item 16(d)(iii) - have a separation and redundancy provision in respect of employees (other than holders of office)
- Item 16(d)(iv) - have other employee provisions in respect of employees (other than holders of office)

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

K.Morgan

KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch

Victorian
Chamber of Commerce
and Industry

ABN 37 650 959 904
150 Collins Street
Melbourne
Victoria 3000 Australia
T: +61 (03) 8662 5333
F: +61 (03) 8662 5462
info@victorianchamber.com.au
victorianchamber.com.au

Certificate by Prescribed Designated Officer

Certificate for the year ended 30 June 2023

I *Paul Guerra* being the *Secretary* of the *Victorian Chamber of Commerce and Industry* certify:

- That the documents lodged herewith are copies of the full report for the *Victorian Chamber of Commerce and Industry* for the period ended 30 June 2023 referred to in s. 268 of the *Fair Work (Registered Organisations) Act* 2009;
- That the full report was provided to members of the reporting unit on 26 October 2023; and
- That the full report was presented to a general meeting of members of the reporting unit on 21 November 2023 in accordance with s. 266 of the Fair *Work (Registered Organisations) Act* 2009.

Signature of prescribed designated officer:

…………………………………………………………………………………….

Name of prescribed designated officer:	**Paul Guerra**
Title of prescribed designated officer:	**Secretary**
Dated:	**6 December 2023**

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Consolidated Financial Report

For the Year Ended 30 June 2023

Victorian Chamber of Commerce and Industry

Consolidated Financial Statements 30 June 2023

Contents

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Report required under subsection 255(2A)

For the year ended 30 June 2023

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2023.

Categories of expenditures	2023 ($)	2022 ($)
Remuneration and other employment-related costs and expenses – employees	24,045,602	22,060,083
Advertising	806,194	1,983,407
Operating costs	4,334,586	10,079,822
Legal costs	17,764	54,574

Signature of designated officer: ………………………………………………………

Name and title of designated officer: Paul Guerra, Chief Executive Office ………………………………………………………

Dated: 19 October 2023 ………………………………………………………

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

For the Year Ended 30 June 2023

The Committee of Management presents its Operating Report on the Victorian Chamber of Commerce and Industry (Victorian Chamber) for the year ended 30 June 2023.

The Members of Committee of Management

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

The Directors present their report together with the financial report of the Victorian Chamber for the year ended 30 June 2023 and the Auditor's Report thereon.

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

Name of Officer	Office Held	Appointed	Resigned
Mr Adrian Kloeden	President	19.11.2013	
Mr Jeremy Blackshaw	Director (Deputy President)	14.11.2019	
Ms Karyn Sobels	Director (Immediate Past President)	22.11.2011	
Mr Brian Negus	Director	17.11.2016	15.11.2022
Ms Helen Fairclough	Director	04.07.2018	
Mr Paul Guerra	Secretary/Chief Executive	03.02.2020	
Ms Kylie Warne	Director	14.11.2019	
Ms Kathryn Mannix	Director	15.11.2022	
Ms Carlene Wilson	Director	31.03.2021	
Mr Brendan Britten	Director	15.11.2022	
Mr Peter Radoll	Director	15.11.2022	

Note: During the financial period, on 15.11.2022, Adrian Kloeden was appointed President and Jeremy Blackshaw was appointed Deputy President and Karyn Sobels was appointed Immediate Past President. Ms Karyn Sobels was granted a leave of absence effective 08.09.2023.

Meetings – Board of Directors

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

Name of Officer	Number of Meetings Held while in Office	Meetings Attended
Mr Adrian Kloeden	11	10
Mr Jeremy Blackshaw	11	10
Ms Karyn Sobels	11	10
Mr Brian Negus	5	3
Ms Helen Fairclough	11	10
Mr Paul Guerra	11	10
Ms Kylie Warne	11	11
Ms Kathryn Mannix	6	5
Ms Carlene Wilson	11	10
Mr Brendan Britten	6	4
Mr Peter Radoll	6	6

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Operating Report

For the Year Ended 30 June 2023

Remuneration Paid to Officers

The salary ranges of the five highest paid officers of the Victorian Chamber for the year ended 30 June 2023 were:

	Remuneration ($000's)					Non-cash benefits ($000's)	
Name of officer	**0-50**	**51-100**	**101-150**	**451- 500**	**601-650**	**0-50**	**51-100**
Mr Adrian Kloeden							
Ms Karyn Sobels							
Ms Helen Fairclough							
Mr Jermy Blackshaw							
Mr Paul Guerra							

Superannuation Trustees

Name of Officer or Member	Position Held	Superannuation Fund	Nominated by Victorian Chamber or other Body
Mr Graham Sherry	Member	Vision Super	Victorian Chamber
Mr Jeremy Johnson	Member	CARE Super	Victorian Chamber

Principal Activities

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

Review and Results of Operations

The Victorian Chamber recorded a consolidated deficit for the year ended 30 June 2023 of $(4,337,483) (2022: surplus of $1,879,618). The consolidated net assets at 30 June 2023 totalled $89,105,873 (2022: $93,443,356).

Membership of Victorian Chamber

As at 30 June 2023, the Victorian Chamber had 5,415 paid members (2022: 20,479 including complimentary members from COVID).

Employees of Victorian Chamber

As at 30 June 2023, the total number of employees was 193 (2022: 202).

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

For the Year Ended 30 June 2023

Board Committees:

The following Board Committees operated during the reporting period:

Audit and Risk Committee

Kylie Warne (Chair)	(resigned as Chair 15.11.2022)
Karyn Sobels	(resigned 15.11.2022)
Brendan Britten (Chair)	(appointed 15.11.2022)
Carlene Wilson	
Adrian Kloeden	

Investment Committee

Adrian Kloeden (Chair)	(resigned as Chair 15.11.2022)
Karyn Sobels (Chair)	(leave of absence 08.09.2023)
Brian Negus	(resigned 15.11.2022)
Jeremy Blackshaw	
Kathryn Mannix	

HR & Remuneration Committee

Helen Fairclough (Chair)	
Karyn Sobels	(resigned 15.11.2022)
Adrian Kloeden	
Peter Radoll	

Events after the Consolidated Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Victorian Chamber in future financial years.

Manner of Resignation

Rule 10 provides for the process of resignations.

(a) (i) A member may resign from membership of the Victorian Chamber by written notice addressed and delivered to the Secretary. Such notice shall be taken to have been received by the Victorian Chamber when delivered to the Secretary.

(ii) A notice of resignation that has been received by the Victorian Chamber is not invalid because it was not addressed and delivered to the Secretary.

(iii) A resignation from membership of the Victorian Chamber is valid even if it is not effected in accordance with paragraph (i) hereof if the member is informed in writing by or on behalf of the Victorian Chamber that the resignation has been accepted.

(b) A notice of resignation from membership of the Victorian Chamber takes effect:

(i) where the member ceases to be eligible to become a member of the Victorian Chamber:

1. on the day on which the notice is received by the Victorian Chamber; or
2. on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(ii) in any other case:

1. at the expiration of 2 weeks after the notice is received by the Victorian Chamber; or
2. on the day specified in the notice; whichever is later.

For the Year Ended 30 June 2023

Manner of Resignation (continued)

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

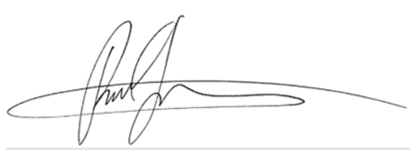
(d) Any dues payable but not paid by a former member of the Victorian Chamber, in relation to a period before the member's resignation or termination from the Victorian Chamber took effect, may be sued for and recovered in the name of the Victorian Chamber in a court of competent jurisdiction, as a debt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

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

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

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

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



Paul Guerra
Secretary and Chief Executive at Melbourne, 24 October 2023

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue			
Membership subscriptions	2(a)(d)	6,568,984	4,717,400
Other revenue	2(b)(d)	26,841,579	34,444,452
Other income	2(c)	3,486,089	5,496,670
Total revenue and other income		**36,896,652**	**44,658,522**
Expenses			
Operating expenses		4,334,586	3,595,956
Employee benefits	4	24,045,602	22,060,083
Affiliation fees	3	642,099	636,761
Depreciation and amortisation expense		2,754,176	3,869,834
Federal & State Government programs		1,542,570	1,049,927
Occupancy expenses		954,561	918,511
Consultancy fees		1,866,019	1,312,397
Provision for expected credit losses and bad debts	3(b)	227,682	55,821
Information, communication and technology expenses		1,441,614	1,825,126
Interest expense	3(c)	605,461	671,434
Loss on financial assets at fair value through profit or loss		61,736	4,005,301
Other administration	3	2,758,029	2,777,753
Total expenditure		**41,234,135**	**42,778,904**
Current year (deficit)/surplus before tax	3	(4,337,483)	1,879,618
Income tax expense	1(b)	-	-
Current year (deficit)/surplus after tax		**(4,337,483)**	**1,879,618**
Total comprehensive income for the year, net of tax		-	-
Net current year (deficit)/surplus		**(4,337,483)**	**1,879,618**
Total comprehensive income		**(4,337,483)**	**1,879,618**

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	**2023**	2022
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	6	13,449,920	18,571,338
Trade and other receivables	7	3,633,198	7,486,272
Financial instruments	8	3,486,875	1,486,875
Prepayments	9	943,243	1,286,206
Total current assets		**21,513,236**	**28,830,691**
Non-current Assets			
Financial instruments	8	83,164,124	82,048,479
Intangible assets	10	231,720	403,834
Property, plant and equipment	11	1,583,500	2,279,910
Right-of-use asset	15(a)	842,032	13,235,353
Total non-current assets		**85,821,376**	**97,967,594**
Total assets		**107,334,612**	**126,798,285**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	5,220,774	5,111,754
Contract liabilities	13	4,557,688	7,780,323
Lease liabilities	15(b)	2,198,425	1,697,420
Provisions	14	2,723,797	2,520,611
Total current liabilities		**14,700,684**	**17,110,108**
Non-current Liabilities			
Lease liabilities	15(b)	2,990,916	15,846,978
Provisions	14	537,139	397,843
Total non-current liabilities		**3,528,055**	**16,244,821**
Total liabilities		**18,228,739**	**33,354,929**
Net assets		**89,105,873**	**93,443,356**
EQUITY			
Accumulated surplus		89,105,873	93,443,356
Total equity		**89,105,873**	**93,443,356**

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

	Accumulated surplus	Total
	$	$
Balance at 1 July 2021	**91,563,738**	**91,563,738**
Surplus attributable to members of the Consolidated Group	1,879,618	1,879,618
Balance at 30 June 2022	**93,443,356**	**93,443,356**
Deficit attributable to members of the Consolidated Group	(4,337,483)	(4,337,483)
Balance at 30 June 2023	**89,105,873**	**89,105,873**

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	**2023**	2022
	Note	**$**	$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		17,022,798	24,633,128
Receipts from Federal and State Government programs		18,608,571	17,324,705
Dividends received		466,887	453,703
Interest received		109,721	49,212
Cash used			
Payments to suppliers and employees		(42,142,674)	(41,816,913)
Net cash (used) / generated from operating activities	20	**(5,934,697)**	**643,835**
INVESTING ACTIVITIES			
Cash received			
Sale of investments		6,341,118	7,096,553
Cash used			
Purchase of investments		(3,092,050)	(6,195,180)
Purchase of property, plant, equipment and intangible assets		(150,679)	(464,659)
Net cash generated from investing activities		**3,098,389**	436,714
FINANCING ACTIVITIES			
Cash received			
Cash used			
Repayment of lease liability		(2,285,110)	(1,984,565)
Net cash (used by) financing activities		**(2,285,110)**	**(1,984,565)**
Net (decrease) in cash held		(5,121,418)	(904,016)
Cash & cash equivalents at the beginning of the reporting period		18,571,338	19,475,354
Cash & cash equivalents at the end of the reporting period	6	**13,449,920**	**18,571,338**

1 Summary of Significant Accounting Policies

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

The consolidated financial statements were authorised for issue on 19 October 2023 by the Board of Directors.

Entity information

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

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

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

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

Basis of Preparation

Reporting Basis and Conventions

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009.* For the purpose of preparing the general purpose financial statements, the Victorian Chamber is a not-for-profit entity.

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

The consolidated financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The consolidated financial statements are presented in Australian dollars have been rounded to the nearest dollar.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Victorian Chamber) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent's controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its power over the entity.

1. Summary of Significant Accounting Policies (continued)

(a) Principles of Consolidation (continued)

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

(b) Income Tax

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

(c) Property, Plant and Equipment

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

Leasehold Improvements

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

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

If any impairment indicators exist, the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to present values in determining the recoverable amount.

Depreciation

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

Class of fixed asset	Useful life
Leasehold Improvements	10 years
Plant and Equipment	2 - 5 years

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

1. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments

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

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

Financial Assets measured at Amortised Cost

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

(a) The asset is held within a business model with the objective of collective the contractual cash flows; and

(b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Recognition and derecognition

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

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

Classification and initial measurement of financial assets

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

Subsequent measurement of financial assets

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

- Financial assets at amortised cost, and
- FVTPL.

All income relating to financial assets that are recognised in profit or loss are presented within other income (Note 2(c)), losses on financial asset are recognised as a separate line item in the profit or loss except for impairment of trade receivables which is presented in provision for expected credit loss as well as the impairment of related party loans.

Financial assets at amortised cost

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

Financial assets at FVTPL

The Group's investment in equity instruments are through a managed fund. The Group does not have the option to irrevocably elect to account for these as Equity fair value through other comprehensive income due to the limited life of a managed fund.

1. Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Impairment of financial assets

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

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for impairment of trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. At 30 June 2023, the Group applies a standardised percentage across all debtors under the expected credit loss model.

(e) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

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

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

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

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

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

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

1 Summary of Significant Accounting Policies (continued)

(e) Leases (continued)

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

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

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

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

(f) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits (as defined in *AASB 119: Employee Benefits*). Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Other long-term employee benefits

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

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

(g) Cash and cash equivalents

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

1 Summary of Significant Accounting Policies (continued)

(h) Goods and Services Tax (GST)

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

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

(i) Trade and Other Receivables

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

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

(j) Trade and Other Payables

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

(k) Revenue

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

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

(i) Revenue from contracts with customers

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

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

1 Summary of Significant Accounting Policies (continued)

(k) Revenue (continued)

(ii) Membership revenue

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

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

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

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

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

(iii) Dividend and interest revenue

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

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

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

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

(v) Other revenue

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

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

All revenue is stated net of the amount of GST.

1 Summary of Significant Accounting Policies (continued)

(l) Impairment of Assets

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

(m) Intangible assets

<u>Software</u>

Software with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Software with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.
Assets are amortised between 3-5 years.

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

(n) Provisions

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

(o) Investments

Investments in Associates

An associate is an entity that the Group has significant influence but not control or joint control. Investments in associate companies are recognised in the consolidated financial statements by applying the equity method of accounting. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates. When the Group's share of losses in an associate equals or exceeds its interest, which includes any long-term interest that, in substance, form part of the Group's net investment in the associate, the Group does not recognise any further losses, unless it has incurred a contractual obligation to contribute further funds.

Investments in Subsidiaries

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

1. Summary of Significant Accounting Policies (continued)

(p) Critical Accounting Estimates and Judgments

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

Key estimates – impairment testing

The assessment of the recoverable amount of non-current assets allocated to the Group's cash generating unit, to which the entirety of the Group's intangible assets, plant & equipment and right of-use assets are allocated to involves key estimates and judgements. The recoverable amount of the Group's cash-generating unit is most sensitive to achieving the Group's EBITDA forecasts. The Group has been impacted by the reduction in scope of significant contracts and while the Group could reduce expenditure when required, the EBITDA position is inherently uncertain due to the business needing to be profitable, to justify no impairment, from its current loss-making position.

The ability of the Group to achieve its EBITDA forecasts is considered the key source of estimation uncertainty in estimating the recoverable amount of the Group's cash-generating unit. If the Group is unable to achieve its forecasted EBITDA forecasts, an impairment could be recognised in future reporting periods.

Key estimates – provision for expected credit loss

Included in Note 7, the trade receivables at the end of the reporting period is an amount receivable from customers during the current financial year amounting to $1,939,334 (2022: $6,105,698) for the Group. Management have examined doubtful debts provision, which is determined based on the expected credit loss model as defined under AASB 9. This takes into effect the historical losses over the past years on relative debtors, and is then adjusted for current and potential future events.

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

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the Group will make. The Group determines the likelihood to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Group. As part of key management judgements, the Group continually assesses the likelihood of exercising options to extend and where necessary, applies a change in judgement if it is assessed that the option to extend will be exercised or no longer exercised.

(q) New accounting standards and interpretations

The Group has applied all new standards and amendments for the annual reporting period commencing 1 July 2022. These included:

- *AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

There were no changes the recognition and measurement of amounts included in the financial statements or significant changes to disclosures from applications of this amendment.

(r) New Accounting Standards issued, but not effective

AASB 2020-1: Amendments to Australian Accounting Standards – *Classifications of Liabilities as* Current or Non-Current *and associated amending standards*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Effective for annual reporting periods beginning on or after 1 January 2023.

No impact is expected but the Group will reassess the appropriate classification of liabilities as current or non-current on application.

2014–10: Sale or contribution of Assets between an Investor and its Associate or Joint Venture and associated amending standards

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. Effective for annual reporting periods beginning on or after 1 January 2025.

No impact is expected but the Group will consider and take the amendments into consideration going forward.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

This Standard amends a number of standards as follows:

- *AASB 7: Financial Instruments: Disclosures* to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- *AASB 101: Presentation of Financial Statements* to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- *AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors* to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- *AASB 134: Interim Financial Reporting* to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Effective for annual reporting periods beginning on or after 1 January 2023.
No impact is expected on reported financial performance or position. Reductions in quantum of accounting policies disclosures to focus on key decision areas and material policies only.

2. Revenue and Other Income

		2023	2022
		$	$
a. Revenue			
Membership subscriptions	2(d)	**6,568,984**	**4,717,400**

Businesses during COVID-19 health pandemic and the bushfires suffered significant hardship and economic impact and were actively encouraged to join VCCI who provided discounts and fee waivers amounting to $NIL (2022: $1,158,923).

		2023	2022
b. Other revenue			
Federal and State Government programs	2(d)	16,877,700	25,679,332
Professional services	2(d)	7,037,660	6,630,112
Training	2(d)	2,926,219	2,135,008
		26,841,579	**34,444,452**
c. Other income			
Distribution and interest Income from investments		2,928,526	4,636,834
Dividends		509,563	453,703
Other		48,000	406,133
		3,486,089	**5,496,670**
d. Timing of revenue recognition			
Services transferred to customers			
Over time			
Membership subscriptions		6,568,984	4,717,400
Professional services		7,037,660	6,630,112
Federal and State Government programs		4,540,944	5,083,322
		18,147,588	**16,430,834**
At a point in time			
Federal and State Government programs		12,336,756	20,596,010
Training		2,926,219	2,135,008
		15,262,975	**22,731,018**
		33,410,563	**39,161,852**
e. Contract balances			
Trade receivables	7	3,530,662	7,486,272
Contract liabilities	12	4,557,688	7,780,323

2. Revenue and Other Income (continued)

f. Significant performance obligations

Membership subscriptions

There are two performance obligations within each membership subscription.

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

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

Membership entitlements are recognised at the end of each reporting period. Management take into account the timing and probability of unused membership entitlements being used over the coming period prior to their expiration.

Federal and State Government programs (including grants)

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

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

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

Professional services

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

Training

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

Outstanding performance obligations at year-end

At 30 June 2023 the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied is $4,557,688 (2022: $7,780,323) as per Note 13. The Group expects that these performance obligations will be satisfied and recognised as revenue over the next 12 months.

3. Surplus before tax

a. (Deficit)/Surplus before tax

	2023	2022
	$	$
(Deficit)/Surplus has been determined after:		
Affiliation fees paid to Australian Chamber of Commerce and Industry	642,099	636,761
Occupancy expenses	954,561	918,511
Consultancy fees	1,866,019	1,312,397
Amounts written off	305,111	108,666
Reversal of expected credit loss provision	(77,429)	(52,845)
Advertising	1,363,570	1,983,407
Legal costs relating to other legal matters	17,764	54,574

b. Provision for expected credit losses and bad debts

	2023 $	2022 $
Amounts written off	305,111	108,666
Reversal of expected credit loss provision	(77,429)	(52,845)
	227,682	55,821

Amounts receivable from associate were forgiven during the period as the associate, Workplace Assured Pty Ltd, is being wound down. This required reversal of the impairment associated with these receivables as they no longer exist and a write off of the receivables has been recognised. The two amounts offset exactly.

c. Interest expense

Interest expense on lease liabilities	587,688	671,434
Accretion of interest on provision for make good	17,773	-
	605,461	671,434

4. Employee Expenses

	2023 $	2022 $
Employees other than office holders:		
Wages and salaries	19,966,957	18,077,599
Superannuation	1,952,793	1,571,555
Leave and other entitlements	461,876	902,703
Cost of separation and redundancies	491,443	466,490
Subtotal employee expenses other than office holders	**22,873,069**	**21,018,347**
Holders of office:		
Wages and salaries	1,071,116	948,421
Superannuation	86,579	75,395
Leave and other entitlements	14,838	17,920
Subtotal employee expenses employees of office holders	**1,172,533**	**1,041,736**
Total employee expenses	**24,045,602**	**22,060,083**

There were no other employee expenses incurred by the Group for 2023 or 2022.

5. Key Management Personnel Compensation

a. Directors

Total number of Directors and Officers	**8**	**10**

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

Name of Officer	Office Held	Appointed	Resigned
Mr Adrian Kloeden	President	19.11.2013	
Mr Jeremy Blackshaw	Director (Deputy President)	14.11.2019	
Ms Karyn Sobels	Director (Immediate Past President)	22.11.2011	
Mr Brian Negus	Director	17.11.2016	15.11.2022
Ms Helen Fairclough	Director	04.07.2018	
Mr Paul Guerra	Secretary/Chief Executive	03.02.2020	
Ms Kylie Warne	Director	14.11.2019	
Ms Kathryn Mannix	Director	15.11.2022	
Ms Carlene Wilsom	Director	31.03.2021	
Mr Brendan Britten	Director	15.11.2022	
Mr Peter Radoll	Director	15.11.2022	

Note: during the financial period, on 15.11.2022, Karyn Sobels became Immediate Past President, Adrian Kloeden was appointed President and Jeremy Blackshaw was appointed Deputy President. Ms Karyn Sobels was granted a leave of absence effective 08.09.2023.

5. Key Management Personnel Compensation (continued)

b. Directors and key management personnel compensation

	2023	2022
	$	$
Wages and salaries	1,071,116	948,421
Superannuation	86,579	75,395
Leave and other entitlements	14,838	17,920
	1,172,533	**1,041,736**

6. Cash and Cash Equivalents

	2023	2022
	$	$
Cash at bank	**13,449,920**	**18,571,338**

Cash at bank includes deposits held in trust for the following purposes:

- Carnet deposits: $1,651,718 (2022: $680,416); and
- Grant funding: $43,379 (2022: $618,937); and
- Funds under management: $6,264,144 (2022: $7,742,008).

7. Trade and Other Receivables

	2023	2022
CURRENT	**$**	**$**
Trade receivables	1,939,334	6,105,698
Less: Provision for expected credit losses	(269,784)	(497,466)
	1,669,550	**5,608,232**
Other receivables:		
Accrued income	1,792,293	1,665,785
Other debtors	171,355	212,255
	1,963,648	**1,878,040**
Amounts receivable from associate	-	1,351,518
Impairment of receivable from associate	-	(1,351,518)
Total trade and other receivables	**3,633,198**	**7,486,272**

Amounts receivable from associate

Amounts receivable from associate were forgiven during the period as the associate, Workplace Assured Pty Ltd, is being wound down. This required reversal of the impairment associated with these receivables as they no longer exist and a write off of the receivables has been recognised. The two amounts offset exactly.

Credit Risk

The main source of credit risk for the Group relates to the loan receivable from Workplace Assured, which has been fully provided for at 30 June 2023. The Group has no other significant concentration of credit risk with respect to any other single counterparty or group of counterparties in relation to its trade and other receivables.

	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
	$	$	$	$	$	$
2023						
Trade receivables	1,939,334	(269,784)	1,316,122	144,679	304,144	174,389
Other receivables	1,963,648	-	1,963,648	-	-	-
	3,902,982	**(269,784)**	**3,279,770**	**144,679**	**304,144**	**174,389**

7. Trade and Other Receivables (continued)

	Gross amount	Past due and impaired	Within initial trade terms (age in days)		Past due but not impaired (age in days)	
			<30	31-60	61-90	>90
	$	$	$	$	$	$
2022						
Trade receivables	6,105,698	(497,466)	1,495,772	1,915,576	1,154,415	1,539,935
Other receivables	1,878,040	-	1,878,040	-	-	-
Amounts receivable from associate	1,351,518	(1,351,518)	-	-	-	1,351,518
	9,335,256	**(1,848,984)**	**3,373,812**	**1,915,576**	**1,154,415**	**2,891,453**

	Provision for expected credit loss on trade receivables
	$
Carrying amount at 30 June 2021	**553,287**
Charge for the year	52,845
Amounts written off	(108,666)
Carrying amount at 30 June 2022	**497,466**
Charge for the year	77,429
Amounts written off	(305,111)
Carrying amount at 30 June 2023	**269,784**

8. Financial Instruments

	2023	2022
	$	$
CURRENT		
Term deposits (Amortised cost)	**3,486,875**	**1,486,876**
NON-CURRENT		
Managed investments (FVTPL)	83,164,124	82,048,497
Total non-current financial instruments	**83,164,124**	**82,048,497**
Total financial instruments	**86,650,999**	**83,535,373**

The Group has all their financial instruments as classified above are held by a Nominee Custody Service. The Group is not the legal owner of the financial instruments but is the beneficial owner.

9. Prepayments

	2023	2022
CURRENT	**$**	**$**
Prepayments	**943,242**	1,286,207

10. Intangible assets

	2023	2022
NON-CURRENT		
Software	**$**	**$**
Cost	2,820,786	2,797,937
Accumulated amortisation	(2,589,066)	(2,394,103)
	231,720	**403,834**

No impairment has been recognised against intangible assets in 2023 (2022: $NIL).

Movements in Carrying Amounts

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

	Total
	$
Carrying amount at 30 June 2021	**1,598,701**
Amortisation	(1,198,466)
Additions	3,599
Carrying amount at 30 June 2022	**403,834**
Amortisation	(194,963)
Additions	22,849
Carrying amount at 30 June 2023	**231,720**

11. Property, Plant and Equipment

	2023	2022
	$	**$**
Leasehold Improvements		
Leasehold Improvements	5,304,032	5,304,033
Accumulated depreciation	(4,096,264)	(3,571,914)
Total Leasehold Improvements	**1,207,768**	**1,732,119**
Plant and Equipment		
Plant and equipment at cost	2,112,691	1,984,861
Accumulated depreciation	(1,736,959)	(1,437,070)
Total Plant and Equipment	**375,732**	**547,791**
Total Property, Plant and Equipment	**1,583,500**	**2,279,910**

No impairment has been recognised against property, plant and equipment assets in 2023 (2022: $NIL).

Movements in Carrying Amounts

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

	Leasehold Improvements $	Plant and Equipment $	Total $
Carrying amount at 30 June 2021	**2,305,487**	**462,731**	**2,768,218**
Additions	9,401	451,659	461,060
Depreciation	(582,768)	(366,600)	(949,368)
Carrying amount at 30 June 2022	**1,732,120**	**547,790**	**2,279,910**
Additions	-	127,831	127,831
Depreciation	(524,352)	(299,889)	(824,241)
Carrying amount at 30 June 2023	**1,207,768**	**375,732**	**1,583,500**

12. Trade Payables

	2023 $	2022 $
CURRENT		
Unsecured Liabilities		
Trade Payables	899,364	1,756,845
Sundry payables and accruals	1,351,330	1,791,256
Payables to employees	1,451,752	878,395
Carnet deposits held in trust	1,518,328	685,258
	5,220,774	**5,111,754**

13. Contract liability

	2023 $	2022 $
CURRENT		
Deferred membership revenue	3,130,591	3,361,941
Deferred training revenue	212,440	33,853
Deferred grant revenue	824,772	3,606,986
Other deferred revenue	120,423	160,888
Provision for membership entitlements	269,462	269,462
Memberships paid in advance	-	347,193
	4,557,688	**7,780,323**

	Membership revenue $	Training revenue $	Grant revenue $	Other revenue $	Membership entitlements $	Total deferrals $
At 30 June 2021	**2,541,814**	**56,811**	**3,999,316**	**4,788,941**	**265,381**	**11,652,263**
Deferred	820,127	-	-	-	4,081	824,208
Released to profit or loss	-	(22,958)	(392,330)	(4,628,053)	-	(5,043,341)
At 30 June 2022	**3,361,941**	**33,853**	**3,606,986**	**160,888**	**269,462**	**7,433,130**
Deferred	1,145,709	915,913	-	-	-	2,061,622
Released to profit or loss	(1,377,059)	(737,326)	(2,782,214)	(40,465)	-	(4,937,064)
At 30 June 2023	**3,130,591**	**212,440**	**824,772**	**120,423**	**269,462**	**4,557,688**

14. Provisions

	2023 $	2022 $
CURRENT		
Annual leave - employees	933,733	1,016,962
Annual leave – office bearers	106,242	68,643
Long service leave - employees	959,098	1,039,006
Provision for restructure	182,526	-
Bonus provisions	542,198	396,000
	2,723,797	**2,520,611**

	2023 $	2022 $
NON CURRENT		
Provision for make good	464,949	391,850
Long service leave - employees	72,190	5,993
	537,139	**397,843**

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

Long Service Leave

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

Provisions (continued)

Make Good Provisions

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

Provision for Restructure

The organisation recorded a restructuring provision in 2023. The provision relates principally to the corporate restructure surrounding downsizing staffing requirements. The restructuring plan was drawn up and announced to the employees of before year-end when the provision was recognised in its consolidated financial statements.

Bonus Provisions

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

	Annual Leave	Long Service Leave	Make Good	Restructure	Bonus	Total
	$	$	$	$	$	$
As at 30 June 2022	**1,085,606**	**1,044,999**	**391,850**	**-**	**396,000**	**2,918,455**
Additional provisions	444,193	130,056	73,099	182,526	457,152	1,287,026
Amounts used/ written back	(489,823)	(143,767)	-	-	(310,954)	(944,544)
As at 30 June 2023	**1,039,976**	**1,031,288**	**464,949**	**182,526**	**542,198**	**3,260,937**
Current	**1,039,976**	**959,098**	**-**	**182,526**	**542,198**	**2,723,798**
Non-Current	**-**	**72,190**	**464,949**	**-**	**-**	**537,139**

15. Leases

a. Right of use assets

	2023 $	2022 $
Net carrying amounts		
Buildings at cost	6,236,980	18,001,912
Accumulated depreciation	(5,394,948)	(4,766,559)
	842,032	**13,235,353**

	$	Total $
Movement during the period		
As at 1 July 2022	**13,235,353**	**13,235,353**
Deductions	(713)	(713)
Adjustment for reassessment of option to extend	(10,657,635)	(10,657,635)
Depreciation expense	(1,734,973)	(1,734,973)
As at 30 June 2023	**842,032**	**842,032**

b. Lease liabilities

	2023 $	2022 $
Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:		
As at 1 July 2022	**17,544,398**	**18,493,968**
Additions	-	363,562
Accretion of interest	587,688	671,435
Payments	(2,285,110)	(1,984,566)
Remeasurement of lease liability	(10,657,635)	-
As at 30 June 2023	**5,189,341**	**17,544,398**
Total current lease liability	**2,198,425**	**1,697,420**
Total non-current lease liability	**2,990,916**	**15,846,978**

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

	2023 $	2022 $
Depreciation expense of right-of-use assets	1,734,973	1,720,826
Interest expense on lease liabilities	587,688	671,435
Total amount recognised in profit or loss	**2,322,661**	**2,392,261**

d. Future minimum lease payments (undiscounted):

	2023 $	2022 $
Not later than one year	2,351,350	2,284,676
Later than one year and not later than five years	3,061,506	9,550,917
Later than five years	-	8,453,553
Total current lease payments	**5,412,856**	**20,289,146**

The Chamber has reassessed the option to extend the lease associated with the Collins Street office. When originally accounted for it was expected that the first five-year option after the initial ten years term would be exercised. Having considered the expected needs of the Chamber it has been determined that it is unlikely the option will be exercised in its current form. This has resulted in a reassessment of this lease, reducing both the right of use assets and lease liabilities by $10,657,635 respectively.

16. Accumulated surplus

Restriction of accumulated surplus

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

17. Related Party Transactions

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

PITCHER PARTNERS

During the financial year, the Victorian Chamber made payments to Pitcher Partners of $217,508 (2022: $261,680) in respect of professional advisory and tax services and portfolio management services performed and received payments from Pitcher Partners of $178,601 (2022: $106,428) in respect of membership, sponsorship, consulting, events and training work performed. Don Rankin (Director) was a consultant (2019: President) and Brendan Britten is the Managing Partner at Pitcher Partners during the financial year. All services rendered were made on an arm’s length commercial basis. At the 30 June 2023, $nil (2022: $72,088) was still outstanding in the Group’s debtor ledger.

AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY (ACCI)

During the financial year, the Victorian Chamber made payments to ACCI of $752,588 (2022: $818,296) in respect of affiliation fees, trade documentation and events and received payments from ACCI of $44,000 (2022: $104,839) in respect of rent, consulting, events and training work performed. Paul Guerra (Chief Executive), Adrian Kloeden (President) and Karyn Sobels (Director) were Board members of ACCI during the financial year. All services rendered were made on an arm’s length commercial basis. At the 30 June 2023 $nil (2022: $nil) was in the Group’s creditor ledger, and $nil (2022: $nil) was outstanding in the Group’s debtor ledger.

MELBOURNE CONVENTION AND EXHIBITION CENTRE (MCEC)

During the financial year, the Victorian Chamber made payments to MCEC of $116, 878 (2022: $51,704) in respect of events venue hiring, Internship Program and Partnership Program and received payments from MCEC of $4,760 (2022: $74,443) in respect of membership, event and training work performed. Helen Fairclough was an Officer at MCEC during the financial year. All services rendered were made on an arm’s length commercial basis.

CICA (COLLABATIVE ITS) GROUP (CICA)

During the financial year, the Victorian Chamber received payments from CICA of $nil (2022: $770) in respect of membership. Brian Negus (Director) was Chairman of the entity during the financial year. All services rendered were made on an arm’s length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

Related Party Transactions (continued)

BRAND BUREAU

During the financial year, the Victorian Chamber received payments from Brand Bureau of $395 (2022: $385) in respect of membership, consulting, events and training work performed. Kylie Warne (Director) was the Director of Brand Bureau during the financial year. All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

MINTERELLISON

During the financial year, the Victorian Chamber received payments from MinterEllison of $30,696 (2022: $29,700) in respect of membership, consulting, events and training work performed. Jeremy Blackshaw (Director) was a Managing Partner of MinterEllison during the financial year. Payments for services made of $122,325 (2022: $57,633). All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

CHARNWOOD PTY LTD

During the financial year, the Victorian Chamber received payments from Charnwood Pty Ltd of $549 (2022: $385) in respect of membership. Adrian Kloeden (Director) was the Director during the financial year. All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

RISKINFO PTY LTD

During the financial year, the Victorian Chamber received payments from Riskinfo Pty Ltd of $549 (2022: $385) in respect of membership. Karyn Sobels (Director) was the Director during the financial year. All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

AFS & ASSOCIATES

During the financial year, the Victorian Chamber received payments from AFS & Associates of $1,040 (2022: $550) in respect of membership. Kate Mannix (Director) was Chief Executive Officer during the financial year. Payments for services made of $16,500 (2022:$nil). All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

VICTORIA UNIVERSITY

During the financial year, the Victorian Chamber received payments from Victoria University of $30,484 (2022: $30,360)in respect of membership. Peter Radoll (Director) was Deputy Vice Chancellor Indigenous, Equity and Inclusion during the financial year. Payments for internship programs made of $16,500 (2022:$nil). All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

UNIVERSITY OF MELBOURNE

During the financial year, the Victorian Chamber received payments from University of Melbourne of $30,627 (2022: $31,366) in respect of membership. Carlene Wilson (Director) was Director Policy and Government Relations during the financial year. Payments for internship programs made of $30,800 (2022:$2,200). All services rendered were made on an arm's length commercial basis. No amounts were outstanding at 30 June 2023 (30 June 2022: $nil).

RELATED PARTY MEMBER TRANSACTIONS

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

18. Interests in Subsidiaries

a. Information about Subsidiaries

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

Name of Subsidiary	Place of Principal/ Place of Business	Ownership Interest Held by the Group	
		2023	2022
		%	%
CCI Victoria Legal Pty Ltd	Melbourne, Australia	100	100
CCI Victoria Legal Trust	Melbourne, Australia	100	100
VECCI Business Brokers Pty Ltd	Melbourne, Australia	100	100
VECCI Business Brokers Trust	Melbourne, Australia	100	100
VECCI Export Services Pty Ltd	Melbourne, Australia	100	100
VCCI Training Pty Ltd	Melbourne, Australia	100	100

b. Significant Restrictions

There are no significant restrictions over subsidiaries

c. TRANSACTIONS BETWEEN SUBSIDIARIES

The Victorian Chamber is the ultimate parent entity of CCI Victoria Legal Trust, VECCI Business Brokers Pty Ltd, VECCI Business Brokers Trust, VCCI Training Pty Ltd and VECCI Export Services Pty Ltd. During the financial year, the Victorian Chamber made payments of $nil to CCI Victoria Legal Trust (2022: $nil). During the financial year, the Victorian Chamber received $nil from CCI Victoria Legal trust (2022: $nil).

As at 30 June 2023, the Victorian Chamber has outstanding loan balances with CCI Victoria Legal Trust of $nil (2022: $nil). The Victorian Chamber assesses whether there is objective evidence that the loan balances have been impaired at each reporting date, and as such, the total amount for CCI Victoria Legal Trust is impaired.

19. Interests in Associate

a. Information about Associate

Workplace Assured Pty Ltd is a national business offering a complete workplace relations solution for small to medium business. This investment will be accounted for using the equity method.

b. Information about Associate

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

c. Summarised financial information about the Associate

	2023 $	2022 $
Current Assets	470	378,006
Total Assets	470	378,006
Current Liabilities	-	3,723,838
Total Liabilities	-	3,723,838
Net Assets/Liabilities	**470**	**3,345,832**
Revenue/other income	3,337,941	2,544,198
Expenses	(8,361)	(1,073,779)
Total Profit	3,329,580	1,470,419
Share of Profit	**1,631,494**	**720,505**

d. Share of (losses)/profit in Associate

Unrecognised share of losses at the beginning of the year	**(1,499,833)**	**(2,220,338)**
Unrecognised share of profit for year	1,631,494	720,505
Cumulative total of unrecognised share of profit/(losses) at year-end	**131,661**	**(1,499,833)**

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

There are no significant restrictions over the associates.

Transactions between Associate and the Victorian Chamber
During the financial year, the Victorian Chamber received payments from Workplace Assured Pty Ltd of $NIL (2022: $533,396) in respect of services performed. Its unsecured loan of $1,351,518 as at 30 June 2022 was forgiven during the year resulting in no balance remaining. Paul Guerra has been a Director at Workplace Assured Pty Ltd during the financial year. All services rendered were made on an arm's length commercial basis in accordance with the shareholders' agreement.

20. Cash Flow Information

	2023	2022
	$	$
(Deficit)/Surplus after income tax	(4,337,483)	1,879,618
Non-cash flows:		
— Depreciation and Amortisation	2,754,176	3,637,458
— Provision for expected credit loss and bad debts	227,682	52,845
— Change in fair value of investments	(5,115,755)	(2,200,010)
— Investment income reinvested	(1,288,310)	(1,661,181)
— Dividends reinvested	(42,676)	453,703
— Interest income reinvested	(302,366)	(37,092)
— Accretion of interest on lease liabilities	587,688	671,433
— Accretion of interest on provision for make good	17,133	-
Changes in assets and liabilities:		
Decrease in receivables and prepayments	4,280,746	1,905,907
Increase in payables and contract liabilities	(3,058,015)	(4,065,375)
Increase in provisions	342,483	6,529
CASH FLOWS USED IN OPERATING ACTIVITIES	**(5,934,697)**	**643,835**

21. Financial Risk Management

Financial Risk Management Policies

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

Investment Risk Management

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

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

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

(i) Financial Risk Exposures and Management

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

a. Interest Rate Risk

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

Financial Risk Management (continued)

Cash and Interest Rates

Consolidated	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	$	$	$	$	$	$	$	$
Financial Assets										
Cash at bank	0.3	0.2	11,449,920	18,571,338	2,000,000	-	-	-	13,449,920	18,571,338
Financial assets-term deposits	1.05	0.9		-	3,486,875	1,486,875	-	-	3,486,875	1,486,875
Financial assets-managed investments	-	-	1,102,006	938,333	18,110,428	17,150,698	63,951,690	63,959,448	83,164,124	82,048,479
Trade and other receivables	-	-		-		-	3,633,198	7,486,272	3,633,198	7,486,272
Total Financial Assets	-	-	12,551,926	19,509,671	23,597,303	18,637,573	67,584,888	71,445,720	103,734,117	109,592,964
Financial Liabilities										
Trade and other payables	-	-	-	-	-	-	5,220,774	5,111,754	5,220,774	5,111,754
Total Financial Liabilities	-	-	-	-	-	-	5,220,774	5,111,754	5,220,774	5,111,754

b. Market Risk

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

c. Credit Risk

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

Trade receivables and contract assets

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

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

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

Based on this credit risk evaluation, the simplified expected credit loss model implies a loss rate of the revenue streams subject to credit at 30 June 2023 was 1.63% (2022: 3.69%).

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

d. Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group does not have a significant liquidity risk. The only financial liabilities are trade and other payables to the value of $5,220,774 (2022: $5,111,754) which are due for payment within 1 year. With cash equalling $13,449,921 (2022: $18,571,338), and liquid assets of $17,530,563 (2022: $28,830,691) held in financial assets – managed investment, the Group has sufficient financial and liquid assets available to meet its debts as and when they fall due.

e. Sensitivity Analysis

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

Carrying value of non-current non-interest bearing financial assets at fair value at 30 June 2023 is $63,822,414 (2022: $63,959,448).

Financial Risk Management (continued)

	Profit $	Equity $
Year ended 30 June 2023		
Fair value on 3% movement	+/- 1,914,672	+/- 1,914,672
Fair value on 5% movement	+/- 3,191,121	+/- 3,191,121
Fair value on 10% movement	+/- 6,382,241	+/- 6,382,241
Year ended 30 June 2022		
Fair value on 3% movement	+/- 1,918,783	+/- 1,918,783
Fair value on 5% movement	+/- 3,197,972	+/- 3,197,972
Fair value on 10% movement	+/- 6,395,945	+/- 6,395,945

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

	2023	2022
Cash	10%	10%
Fixed Interest	17%	14%
Australian Shares	12%	12%
Overseas Shares	10%	9%
Overseas Property	0%	0%
Unlisted Property	38%	41%
Alternatives	9%	9%

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

	Profit $	Equity $
Year ended 30 June 2023		
2% in interest rate	+/-1,276,448	+/-1,276,448
10% in listed investments	+/-6,382,241	+/-6,382,241
Year ended 30 June 2022		
2% in interest rate	+/-1,279,189	+/-1,279,189
10% in listed investments	+/-6,395,945	+/-6,395,945

22. Fair Value Measurements

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

– Financial assets at fair value through profit and loss

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

a. Fair Value Hierarchy

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

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

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques 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.

Valuation Techniques

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

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

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

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

Fair Value Measurements (continued)

Recurring Fair Value Measurements

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2023				
Financial assets				
– Managed investments at fair value through profit or loss	83,164,124	-	-	**83,164,124**
2022				
Financial assets				
– Managed investments at fair value through profit or loss	82,048,479	-	-	**82,048,479**

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

23. Remuneration of Auditors (SW Audit)

	2023	2022
	$	$
Financial statement audit services	127,000	105,000
Audit of grant acquittals	3,300	2,200
Total audit services	**130,300**	**107,200**
Other services	25,000	36,500
	155,300	**143,700**

24. Parent Entity

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

	2023	2022
	$	$
Statement of Financial Position		
ASSETS		
Current assets	21,803,090	28,820,534
Non-current assets	85,521,394	97,967,595
TOTAL ASSETS	**107,324,484**	**126,788,129**
LIABILITIES		
Current liabilities	14,675,842	17,085,253
Non-current liabilities	3,528,056	16,244,821
TOTAL LIABILITIES	**18,203,898**	**33,330,074**
EQUITY		
Accumulated surplus	91,553,776	93,458,055
TOTAL EQUITY	**91,553,776**	**93,458,055**
Statement of Profit or Loss and Other Comprehensive Income		
Total (deficit)/surplus	(6,351,125)	1,879,618
Total Comprehensive Income for the year	**(6,351,125)**	**1,879,618**

25. Organisation Details

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

Victorian Chamber of Commerce and Industry (Victorian Chamber)

150 Collins Street

MELBOURNE VIC 3000

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

26. Additional Disclosures – section 272 of Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2023

I, Paul Guerra, being the Chief Executive Officer of the Group, declare that the following activities did not occur during the reporting period ending 30 June 2023:

The Group did not:

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

Name: Paul Guerra

Title of office held: Secretary and Chief Executive

…………………………………………………………..	19 October 2023 ……………………………………………………….
Signature	Date

Victorian Chamber of Commerce and Industry

ABN 37 650 959 904

Committee of Management Statement

For the Year Ended 30 June 2023

On 19 October 2023, the Members of the Committee of Management (Board of Directors) of the Victorian Chamber passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 30 June 2023:

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

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

b) The consolidated financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

c) the consolidated financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

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

e) During the financial year to which the GPFR relates and since the end of that year:

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

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

    iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act;

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

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

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

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

Name: Paul Guerra

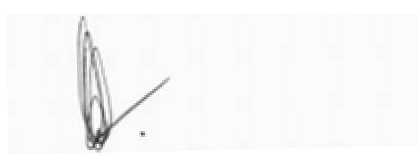
Title of office held: Secretary and Chief Executive

Signature

Date: 19 October 2023

Name: Jeremy Blackshaw

Title of office held: Deputy - President



Date: 19 October 2023

Accountants & Advisors

Take the lead

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VICTORIAN CHAMBER OF COMMERCE AND INDUSTRY

Opinion

We have audited the financial report of the Victorian Chamber of Commerce and Industry (the Reporting Unit) and its controlled entities (the Group) which comprises the consolidated statement of financial position as at 30 June 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 committee of management statement, the report required under subsection 255(2A) and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 30 June 2023, and its financial performance and it cash flows for the year ended on that date in accordance with:

a. Australian Accounting Standards, and

b. Any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the Act).

I declare that management's use of the going concern basis in the preparation of the Financial Report of the Group is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The committee of management 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.

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

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

Responsibilities of the Committee of Management for the Financial Report

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

In preparing the financial report, the committee of management 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 committee of management 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 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

- Conclude on the appropriateness of the committee of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

I declare that I am an auditor registered under the Act.

SW

SW Audit
Chartered Accountants

R Blayney Morgan

R Blayney Morgan
Partner

Melbourne, 19 October 2023

Registration number (as registered under the Act): AA2017/126