



18 February 2016

Mr Peter Savige
President
Victorian Automobile Chamber of Commerce
VACC House
464 St Kilda Road
MELBOURNE VIC 3004

via email: lyilmaz@vacc.com.au
jpizzey@vacc.com.au

Dear Mr Savige

Victorian Automobile Chamber of Commerce Financial Report for the year ended 30 June 2015 - [FR2015/237]

I acknowledge receipt of the financial report of Victorian Automobile Chamber of Commerce (VACC). The documents were lodged with the Fair Work Commission (FWC) on 4 December 2015. I also acknowledge supplementary information provided by Mr Iain Pizzey from VACC on 17 February 2016 relating to employee benefit disclosures and by Mr David D'Aquino from Pitcher Partners on the 18 February 2016 confirming that Pitcher Partners concluded that management's use of the going concern basis of accounting is appropriate.

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 s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged, except for the requirements under the sub-heading *Statement of Loans, Grants and Donations*. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Statement of comprehensive income

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Note 4(b) discloses that \$29,924 was paid in donations but does not distinguish the total amounts paid as described above.

Statement of Loans, Grants and Donations

A Loans, Grants and Donations statement for VACC was lodged with the FWC as required under subsection 237(1) of the RO Act on 8 July 2016. A figure for donations that exceeded \$1,000 was also supplied in the financial report however this figure for donations is different to the figure supplied on the Loans, Grants and Donations Statement.

Can you please confirm that the figure report in the Loans, Grants and Donations statement is correct, and if not, submit an amended statement.

Notes to the financial statements

Wording of section 272 from outdated legislation

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the Regulations is available to members on request. Note 1 to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

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

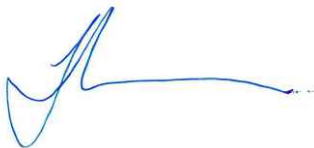
Please ensure that future notes contain this extract of the Act word for word.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

From: David DAquino <David.DAquino@pitcher.com.au>
Sent: Thursday, 18 February 2016 1:45 PM
To: FENWICK, Joanne
Cc: Pizzey, Iain (ipizzey@vacc.com.au)
Subject: RE: VACC - 30 June 2015 Financial Statements
Attachments: VACC Audit Opinion - Revised Template FY15.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Joanne,

For the FY2015 audit of the Victorian Automobile Chamber of Commerce, I can confirm that we concluded that management's use of the going concern basis of accounting was appropriate.

I have attached our updated audit report template that will be issued for the FY16 audit which contains a statement regarding management's use of the going concern basis of accounting. Per our phone conversation in December, you advised that it was not necessary for us to re-sign the existing audit report for FY15.

Please advise if you require anything further.

Regards,

David D'Aquino | Manager – Business Assurance & Advisory

Pitcher Partners
Level 19, 15 William Street, Melbourne VIC 3000 | www.pitcher.com.au
T: 03 8612 9218 | F: 03 8610 5999 david.daquino@pitcher.com.au

17 February 2016



Victorian Automobile
Chamber of Commerce
ABN 63 009 478 209

VACC House
464 St Kilda Road
Melbourne 3004

Phone: 03 9829 1111
Fax: 03 9820 3401
www.vacc.motor.net.au

Ms Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch
Fair Work Commission
11 Exhibition Street
MELBOURNE VIC 3000

Via email

Dear Joanne

VACC 30 June 2015 Financial Statements

In relation to the above and further to our phone call on Monday 15 February 2016, attached is an updated set of the 30 June 2015 Consolidated Financial Statements for VACC.

I have also attached the pages that have changed from the set that we forwarded to the Fair Work Commission on 26 November 2015.

Pitcher Partners have informed me that they are to provide you with an updated Audit Report which includes an acknowledgement that they agree that VACC's management using of the going concern basis of accounting was appropriate.

VACC is proposing to forward you our draft 30 June 2016 Financial Statements in early June to seek your input as to what income and expenses we need to report on, even if the value is \$nil.

Thank you for your assistance and if you require further information, please contact me via email at ipizzey@vacc.com.au or on 9829 1163.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Iain Pizzey', written in a cursive style.

Iain Pizzey
Chief Financial Officer and General Manager
Finance and Shared Services

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 Consolidated \$	2014 Consolidated \$
CURRENT ASSETS			
Cash and Cash Equivalents	16	2,887,141	2,702,176
Receivables	5	6,234,403	6,203,443
Inventories		162,505	183,284
Prepayments		134,452	106,848
TOTAL CURRENT ASSETS		9,418,501	9,195,751
INVESTMENTS - SPECIAL CAPITAL FUND	6	111,457,195	114,279,377
NON-CURRENT ASSETS			
Receivables	5	-	33,649
Investments	7	4,604,203	5,095,607
Property	8	49,700,000	41,700,000
Plant and Equipment	9	1,654,841	1,873,590
TOTAL NON-CURRENT ASSETS		55,959,044	48,702,846
TOTAL ASSETS		176,834,740	172,177,974
CURRENT LIABILITIES			
Payables	10	2,191,218	2,442,708
Income in Advance	11	3,985,566	4,218,349
Interest-Bearing Liabilities	12	1,776,924	1,959,125
Provisions	13	2,875,912	2,601,850
TOTAL CURRENT LIABILITIES		10,829,620	11,222,032
NON-CURRENT LIABILITIES			
Interest-Bearing Liabilities	12	33,830	45,963
Provisions	13	65,725	81,769
TOTAL NON-CURRENT LIABILITIES		99,555	127,732
TOTAL LIABILITIES		10,929,175	11,349,764
NET ASSETS		165,905,565	160,828,210
MEMBERS' FUNDS			
Revenue Accumulation	14	111,253,970	115,698,423
Reserves	15	54,651,595	45,129,787
TOTAL MEMBERS' FUNDS		165,905,565	160,828,210

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(G) Trade and Other Receivables

Trade receivables, which generally have 30-90 days terms, are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

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

(H) Inventories

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

(I) Taxes

(i) Income Taxes

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

(ii) Goods and Services Tax (GST)

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

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

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

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

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

(J) Plant and Equipment

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

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

Depreciation rates for each class of assets are:

Plant and equipment – 7.50% diminishing value and 3-5 years straight-line

Furniture and fittings – 5 years

Motor vehicles – 22.50% diminishing value

Leased Equipment – 5 Years

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

(i) Impairment

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

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 Consolidated \$	2014 Consolidated \$
4. OPERATING RESULT (Continued)		
(B) Expenditure from Operating Activities:		
Auditor's Remuneration in respect of:		
Audit Services	39,000	35,500
Other Services	12,710	7,350
Aggregate Auditor's Remuneration	51,710	42,850
Legal Fees Paid	129,528	175,715
Subscriptions	302,380	366,685
Investment Management Fees	130,000	130,000
Amount Paid as Remuneration to Employees of the Organisation	22,935,708	21,165,739
Amount Paid as redundancies	399,397	17,769
Amount Paid in Respect of Superannuation	2,420,768	2,118,006
Administrative Expenses	1,328,328	1,066,021
Provision for Annual Leave	104,467	(117,047)
Provision for Loan Non Recovery	67,251	-
Provision for Long Service Leave	(130,298)	5,773
Provision for Doubtful Debts	148,229	313,848
Donations	29,924	10,095
Board of Management and Executive Board Expenses	280,998	300,166
Depreciation of Furniture and Fittings	14,989	13,060
Depreciation of Plant and Equipment	113,370	91,599
Depreciation of Motor Vehicles	192,886	189,635
Amortisation of Leased Motor Vehicle	11,460	5,736
Bad Debts	23,351	20,117
Stock Write Off	7,410	8,679
Operating Lease Rentals	373,738	358,176
Loss on Disposal of Plant & Equipment	84,792	46,054
Advertising Expenses	420,577	514,953
Cost of Inventory Purchases	316,883	318,207
Divisions and Membership Expenses	1,170,020	816,059
Employment, Education & Training Expenses	1,072,122	1,150,619
External Affairs Expenses	31,682	9,005
Industrial Relations Expenses	457,988	446,641
Events Activity	1,603,849	149,987
Property Expenses	1,635,576	1,639,456
Telephone Expenses	98,063	76,380
VACC Brand Advertising Campaign	762,123	760,016
Other Operating Expenses	4,856,234	3,209,932
Total Operating Expenses Other than Borrowing Costs	41,445,503	35,419,931
Finance Charges	113,006	98,745
Total Borrowing Cost	113,006	98,745
Total Operating Expenses	41,558,509	35,518,676

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

	2015 Consolidated \$	2014 Consolidated \$
10. PAYABLES		
Trade Payables	586,344	1,086,500
Other Payables	1,604,874	1,356,208
	2,191,218	2,442,708
11. INCOME IN ADVANCE		
Income In Advance	3,985,566	4,218,349
	3,985,566	4,218,349
12. INTEREST-BEARING LIABILITIES		
Current:		
Bank Bill Business Loan	1,764,791	1,947,721
Lease Liability	12,133	11,404
Total Current Liability	1,776,924	1,959,125
Non Current:		
Lease Liability	33,830	45,963
Total Interest Bearing Liabilities	1,810,754	2,005,088
13. PROVISIONS		
Current:		
Employees		
Provision for Annual Leave	1,551,767	1,447,300
Provision for Long Service Leave	1,040,295	1,154,550
Redundancies	283,850	-
	2,875,912	2,601,850
Non-Current:		
Employees		
Provision for Long Service Leave	65,725	81,769
Aggregate Employee Entitlement Liability	2,657,787	2,683,619
14. REVENUE ACCUMULATION		
Accumulated Surplus		
Opening Balance	115,698,423	115,260,656
Result for the year	(4,444,453)	437,767
	111,253,970	115,698,423
15. RESERVES		
Special Capital Fund Reserve:		
Opening Balance	19,369,835	14,758,679
Result for the Year	2,013,112	4,611,156
Closing Balance	21,382,947	19,369,835
Asset Revaluation Reserve:		
Opening Balance	25,759,952	25,586,766
Devaluation – Units in MTAA Unit Trust	(391,304)	(116,814)
Revaluation of VACC House	8,000,000	-
Devaluation of Investment in carsales.com Ltd.	(100,000)	290,000
Total Asset Revaluation Reserve	33,268,648	25,759,952
Total Reserves	54,651,595	45,129,787

The Special Capital Fund Reserve is used to record increments and decrements of the Special Capital Fund.

The Asset Revaluation Reserve is used to record increments and decrements in the value of non-current assets.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

20. FINANCIAL RISK MANAGEMENT (continued)

(C) Fair Values

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

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

(D) Credit Risk

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

Trade receivables are all within approved terms with the exception of 6.7%.

21. RELATED PARTY DISCLOSURES

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

P. R. Savige - Chairman

J. J. G. Buskes

M. W. Awramenko

P. Bertoli – appointed 27 January 2015

F. Bortolotto

C. J. Hummer

A. La Rosa – deceased 13 October 2014

T. L. Sanchez

T.J. Sitch

Transactions with Executive Board Members are carried out on the same commercial terms and conditions as other transactions with Members. Transactions, based on the same commercial terms and conditions as other transactions with businesses that VACC Members represent, were carried out with businesses that Executive Board Members represent.

22. REMUNERATION	2015	2014
	\$	\$
Executive Board Members		
Amounts paid or payable or otherwise made available to Executive Board Members	96,000	96,000

Executive Board Members receive an allowance of \$1,000 a month.

From: Pizzey, Iain <ipizzey@vacc.com.au>
Sent: Friday, 5 February 2016 3:10 PM
To: FENWICK, Joanne
Subject: Updated letter to FWC
Attachments: Ms B O'Neill Fair Work Commission - VACC Financial Report 5.2.16.pdf

Joanne,

As discussed, attached is the revised letter that you were seeking in relation to the 30 June 2015 Financial Statements of VACC.

Can you please confirm that this attached letter is acceptable by the FWC.

Thank you for your assistance.

I will now update the 30 June 2015 Financial Statements for you and forward you a revised copy in the near future.

Regards,

Iain Pizzey
Chief Financial Officer and General Manager,
Finance and Shared Services
VACC
Level 3 | 464 St Kilda Road | Melbourne Vic 3004
P: 03 9829 1163 | M: 0419 114 178 | F: 03 9866 2790 | W: vacc.com.au

5 February 2016

Ms B O'Neill
General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Ms O'Neill

Financial Report of the Victorian Automobile Chamber of Commerce

Further to my letter of 26 November 2015, I Peter Savige, being the President of the Victorian Automobile Chamber of Commerce, certify:

- that the documents lodged herewith are copies of the full report of the Victorian Automobile Chamber of Commerce for the period ended 30 June 2015 referred to in s. 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the Victoria Automobile Chamber of Commerce on Wednesday, 4 November 2015; and
- that the full report was presented to the Annual General Meeting of the Victorian Automobile Chamber of Commerce on Wednesday, 25 November 2015 in accordance with s. 266 of the Fair Work (Registered Organisations) Act 2009.

Yours sincerely



**PETER SAVIGE
PRESIDENT**

FENWICK, Joanne

From: FENWICK, Joanne
Sent: Thursday, 17 December 2015 5:19 PM
To: 'Dowsey, David'
Subject: RE: Electronic copy requested and received 4 Dec 2015. VACC 2015 Annual Report
Attachments: Sample Designated Officers Certificate.docx; VACC FR2014 270 (primary final).pdf

Good afternoon David

Thank you for the lodgement of the financial report for the VACC on 4 December 2015. Under s.268(c) of the Fair Work (Registered Organisation) Act 2009 (RO Act), the Designated Officers Certificate must also be included when a copy of the full report is lodged with the Fair Work Commission (FWC). This document was not lodged with the full report. The Designated Officers Certificate certifies that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 of the RO Act. I have attached the sample Designated Officers Certificate for reference.

Please arrange for the Designated Officers Certificate to be provided to me as soon as possible.

In the filing of VACC financial report for the year ended 30 June 2014, correspondence from the FWC was sent to the VACC on the 9 December 2014 identified a number of matters which would need to be address prior to the filing of the financial report for the year ended 30 June 2015. During the initial assessment of the financial report for the VACC for the year ended 30 June 2015 I have noted that the matters contained in the above mentioned letter have not been addressed. The items in question relates to the declaration regarding the going concern of VACC in the Auditor's Report and disclosure of employee benefits to office-holders and other employees. I have attached last year correspondence which identifies these matters.

Please arrange for a copy of the appropriate disclosures relating to employee benefits and for your Auditor to email this declaration to me so this information can be placed on the VACC matter file. Once I have received this and a copy of the Designated Officers Certificate I will be able to proceed to filing this year financial report for VACC.

Regards

JOANNE FENWICK
Financial Reporting Specialist
Regulatory Compliance Branch

Fair Work Commission
Tel: (03) 8656 4681
Fax: (03) 9655 0410
joanne.fenwick@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwc.gov.au

Please be aware my telephone number has changed. My new phone number is 03-8656 4681. Please update your records accordingly.

From: Dowsey, David [<mailto:ddowsey@vacc.com.au>]
Sent: Friday, 4 December 2015 11:40 AM
To: Orgs
Subject: Electronic copy requested and received 4 Dec 2015. VACC 2015 Annual Report

Please find *VACC 2015 Annual Report* attached.

Regards

David Dowsey
Head of Marketing, Media, Communications & Publications
Finance and Shared Services

VACC

Level 1 | 464 St Kilda Road | Melbourne VIC 3004

P: 03 9829 1247 | **M:** 0419 361 122 | **W:** vacc.com.au

FINANCIAL REPORT



VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
Revenues from Operating Activities	4	37,114,056	35,956,443
Expenses from Operating Activities	4	(41,558,509)	(35,518,676)
Net Result from Operating Activities		(4,444,453)	437,767
Operating Result for the Year	14	(4,444,453)	437,767
OTHER COMPREHENSIVE INCOME			
Amounts that may subsequently be transferred to Income Statement			
- Revaluation of Investments	15	7,608,696	(116,814)
- Revaluation of Special Capital Fund	15	2,013,112	4,611,156
- Change in Fair Value of Available for Sale Financial Assets	15	(100,000)	290,000
OTHER COMPREHENSIVE INCOME FOR THE YEAR		9,521,808	4,784,342
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,077,355	5,222,109

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

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	NOTES	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
CURRENT ASSETS			
Cash and Cash Equivalents	16	2,887,141	2,702,176
Receivables	5	6,234,403	6,203,443
Inventories		162,505	183,284
Prepayments		134,452	106,848
TOTAL CURRENT ASSETS		9,418,501	9,195,751
INVESTMENTS - SPECIAL CAPITAL FUND	6	111,457,195	114,279,377
NON - CURRENT ASSETS			
Receivables	5	-	33,649
Investments	7	4,604,203	5,095,607
Property	8	49,700,000	41,700,000
Plant and Equipment	9	1,654,841	1,873,590
TOTAL NON-CURRENT ASSETS		55,959,044	48,702,846
TOTAL ASSETS		176,834,740	172,177,974
CURRENT LIABILITIES			
Payables	10	2,475,068	2,442,708
Income in Advance	11	3,985,566	4,218,349
Interest-Bearing Liabilities	12	1,776,924	1,959,125
Provisions	13	2,592,062	2,601,850
TOTAL CURRENT LIABILITIES		10,829,620	11,222,032
NON-CURRENT LIABILITIES			
Interest-Bearing Liabilities	12	33,830	45,963
Provisions	13	65,725	81,769
TOTAL NON-CURRENT LIABILITIES		99,555	127,732
TOTAL LIABILITIES		10,929,175	11,349,764
NET ASSETS		165,905,565	160,828,210
MEMBERS' FUNDS			
Revenue Accumulation	14	111,253,970	115,698,423
Reserves	15	54,651,595	45,129,787
TOTAL MEMBERS' FUNDS		165,905,565	160,828,210

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

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	ASSET REVALUATION RESERVE \$	SPECIAL CAPITAL FUND RESERVE \$	RETAINED EARNINGS \$	TOTAL \$
CONSOLIDATED BALANCE AT 1 JULY 2013		25,586,766	14,758,679	115,260,656	155,606,101
Increase in Special Capital Fund	15	-	4,611,156	-	4,611,156
Devaluation of Units in MTAA Unit Trust	15	(116,814)	-	-	(116,814)
Revaluation of shares in carsales.com Ltd	15	290,000	-	-	290,000
Result of the year		-	-	437,767	437,767
TOTAL COMPREHENSIVE INCOME		173,186	4,611,156	437,767	5,222,109
CONSOLIDATED BALANCE AT 30 JUNE 2014		25,759,952	19,369,835	115,698,423	160,828,210
CONSOLIDATED BALANCE AT 1 JULY 2014		25,759,952	19,369,835	115,698,423	160,828,210
Increase in Special Capital Fund	15	-	2,013,112	-	2,013,112
Devaluation of Units in MTAA Unit Trust	15	(391,304)	-	-	(391,304)
Revaluation of VACC House	15	8,000,000	-	-	8,000,000
Devaluation of shares in carsales.com Ltd	15	(100,000)	-	-	(100,000)
Result of the Year		-	-	(4,444,453)	(4,444,453)
TOTAL COMPREHENSIVE INCOME		7,508,696	2,013,112	(4,444,453)	5,077,355
CONSOLIDATED BALANCE AT 30 JUNE 2015		33,268,648	21,382,947	111,253,970	165,905,565

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

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members and Customers		26,647,423	29,003,140
Payments to Suppliers and Employees		(39,684,479)	(32,994,430)
Interest Received		131,618	39,359
Borrowing Costs		(113,006)	(98,470)
Goods and Services Tax (paid)		(1,229,333)	(1,682,348)
Net Cash Flows used in Operating Activities		(14,247,777)	(5,732,839)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution from Special Capital Fund		14,587,024	7,096,196
Dividends received		238,800	174,750
Purchase of Plant and Equipment		(271,188)	(712,640)
Proceeds from sale of Plant and Equipment		72,440	118,659
Net Cash Flows from Investing Activities		14,627,076	6,676,365
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in Financing Facilities		(194,334)	61,106
Net Cash flows used in Financing Activities		(194,334)	61,106
Net Increase/(Decrease) in cash held		184,965	1,004,632
Add opening cash brought forward		2,702,176	1,697,544
CLOSING CASH CARRIED FORWARD	16	2,887,141	2,702,176

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

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
RECONCILIATION OF RESULT WITH NET CASH FLOWS USED IN OPERATING ACTIVITIES			
Operating result for the year		(4,444,453)	437,767
NON CASH FLOWS IN OPERATING RESULT			
Bad Debt		23,351	20,117
Provision for Doubtful Debts		148,229	313,848
Depreciation of Plant & Equipment		321,245	294,295
Amortisation of Leased Motor Vehicle		11,461	5,735
Intangible Write Down		-	20,284
Loss on Disposal of Plant and Equipment		84,792	46,054
Impairment on Investment in WCS		100	-
Realised movement in investments Net of Management Fees		(9,751,729)	(8,610,853)
Dividends Received		(238,800)	(174,750)
CHANGES IN ASSETS AND LIABILITIES:			
(Increase)/Decrease in Receivables		(168,891)	908,205
Decrease/(Increase) in Inventories		20,779	(18,086)
(Increase)/Decrease in Prepayments		(27,604)	23,646
Increase in Payables		32,360	218,234
(Decrease)/Increase in Income in Advance		(232,783)	893,334
(Decrease) in Employee Provisions		(25,834)	(111,274)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(14,247,777)	(5,732,839)

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

1. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER OF FAIR WORK AUSTRALIA

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

- i)* "A member of an organisation or the General Manager may apply to the organisation for specified prescribed information in relation to the organisation.
- ii)* An organisation shall, on application made under subsection (1) by a member of the organisation or the General Manager, make the specified information available to the member or the General Manager in such manner, and within such time, as is prescribed.
- iii)* The General Manager may only make an application under subsection (1) at the request of a member of the organisation concerned, and the General Manager shall provide to a member, information received because of an application made at the request of the member."

2. CORPORATE INFORMATION

The Financial Report of Victorian Automobile Chamber of Commerce (VACC) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 14 October 2015. VACC is an association, incorporated in Australia in accordance with the RO Act.

The nature of the operations and principal activities of the VACC are described on Page 30.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the RO Act and Australian Accounting Standards Interpretations and other authoritative pronouncements of the Australian Standards Board. The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes on assets as described in the accounting policies.

(B) Principles of Consolidation

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

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

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

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

(C) Statement of Compliance

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) Accounting Judgements, Estimates & Assumptions

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

(i) *Unlisted Investments*

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

(ii) *Property*

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

(iii) *Intangible Assets*

The impairment testing of VACC's intangible asset has been assessed based on management's best estimates of future cash flows expected to be achieved from the related joint venture.

(E) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to VACC and the revenue can be reliably measured.

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

(i) *Sale of Goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of the delivery of the goods to the customer.

(ii) *Rendering of Services*

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

(iii) *Interest*

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

(iv) *Dividends*

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

(v) *Rental Income*

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

(vi) *Government Grants*

Government grants received that relate to specific assets or expenses are deferred and recognised as income in the same period as the asset is consumed or when the associated expenses are incurred. All revenue is stated net-of-the amount of goods and services tax (GST).

(F) Cash Assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) Trade and Other Receivables

Trade receivables, which generally have 30-90 days terms, are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

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

(H) Inventories

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

(I) Taxes

(i) Income Taxes

Section 11-5 subdivision (50-15) of the Income Tax Assessment Act 1997 exempts VACC from Income Tax.

(ii) Goods and Services Tax (GST)

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

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

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

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

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

(J) Plant and Equipment

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

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

Depreciation rates for each class of assets are:

Plant and equipment – 7.50% diminishing value and 3-5 years straight-line

Furniture and fittings – 5 years

Motor vehicles – 22.50% diminishing value

Leased Equipment – 5 Years

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

(i) Impairment

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) Plant and Equipment (continued)

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

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

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

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

(ii) Derecognition and Disposal

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

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

(K) Properties

Properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of a property. Subsequent to initial recognition, properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Reserves in the year in which they arise.

Properties are derecognised either when they have been disposed of, or when the property is permanently withdrawn for use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of a property are recognised in the Income Statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by VACC as an owner-occupied property becomes an investment property, VACC accounts for such property in accordance with the policy stated under plant and equipment up to date of change in use. For a transfer from plant and equipment to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Income Statement. When VACC completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Income Statement.

(L) Financial Instruments

Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. VACC determines the classification of its financial assets at initial recognition and, when allowed and appropriate, re-evaluates this designation at each reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Comprehensive Income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ii) *Available-for-Sale*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Statement of Comprehensive Income.

Interest, dividends and other distributions from available-for-sale investments are recognised in profit or loss when the entity's right to receive payment is established.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent 'arm's length' market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where these valuation techniques cannot be used to determine a reliable valuation, the investment is carried at cost.

(iii) *Derecognition of Financial Assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- VACC retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the rights to receive cash flows from the asset have expired;
- VACC has transferred its rights to receive cash flows from the asset and either, (a) has transferred substantially all the risks and rewards of the asset, or, (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When VACC has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of VACC's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that VACC could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of VACC's continuing involvement is the amount of the transferred asset that VACC may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value. The extent of VACC's continuing involvement is limited to the lower of the fair value of the transferred asset and the exercise price option.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(M) Impairment of Financial Assets

VACC assess at each reporting date whether a financial asset or group of financial assets are impaired.

(i) *Financial Assets Carried At Cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value, because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the current market rate of return for a similar financial asset.

(ii) *Available-for-sale Investments*

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the Income Statement, is transferred from equity to the Income Statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through the Income Statement if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement.

(N) *Intangible Assets*

Intangible assets with an indefinite life are not amortised but are tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Intangible assets are carried at cost less accumulated impairment losses. Impairment losses are recognised in the Statement of Comprehensive Income in the year they arise.

(O) Trade and Other Payables

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

(P) Provisions

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

When VACC expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

(Q) Employee Leave Benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date. They are measured at their nominal amounts based on remuneration rates, which are expected to be paid when the liabilities are settled.

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(R) Special Capital Fund

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

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

The change in the value of the Special Capital Fund during the year, including the aggregate difference between the price realised on disposal of Special Capital Fund components and their redemption price at reporting date have been recorded in the Consolidated Statement of Financial Position (Refer Note 15).

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

(S) Leases

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

(i) Finance Leases.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to VACC are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(ii) Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability and are recognised in Statement of Comprehensive Income as an integral part of the total lease expense.

(T) Interest in a Joint Arrangement

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

(U) Use of Funds

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

(V) New Accounting Standard & Interpretations

A number of standards and interpretations have been issued at the reporting date but are not yet effective. When adopted these standards and interpretations are likely to impact on the financial information presented, however the assessment has not yet been completed by the Directors.

4. OPERATING RESULT

The operating result has been determined after

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
(A) Revenues from Operating Activities		
Income from Special Capital Fund:		
Interest	255,854	204,639
Dividends	708,411	712,608
Other Distributions	8,787,464	7,693,604
	9,751,729	8,610,851
Member Subscriptions	3,413,085	3,186,125
Events Activity	173,354	249,454
Stationery Sales	645,076	573,222
Rental Income	3,688,536	3,520,617
Bank Interest Income	27,336	39,359
Interest from Tenant Office Fitout	6,352	10,126
ME Interest Collected (COF)	97,930	85,652
Dividend Income	238,800	174,750
Advertising	256,572	288,763
Recovery of Apprentice Wages	13,325,939	13,390,375
Commissions Received	12,207	517,787
Employment, Education and Training Income	2,251,356	2,529,174
E-Ticket Income	661,217	457,597
Other Income	2,564,567	2,322,591
Total Revenues from Operating Activities	37,114,056	35,956,443

4. OPERATING RESULT (CONTINUED)

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
(B) Expenditure from Operating Activities		
Auditor's Remuneration in respect of:		
Audit Services	39,000	35,500
Other Services	12,710	7,350
Aggregate Auditor's Remuneration	51,710	42,850
Legal Fees Paid	129,528	175,715
Subscriptions	302,380	366,685
Investment Management Fees	130,000	130,000
Amount Paid as Remuneration to Employees of the Organisation	23,335,105	21,183,508
Amount Paid in Respect of Superannuation	2,420,768	2,118,006
Administrative Expenses	1,328,328	1,066,021
Provision for Annual Leave	104,467	(117,047)
Provision for Loan Non Recovery	67,251	
Provision for Long Service Leave	(130,298)	5,773
Provision for Doubtful Debts	148,229	313,848
Donations	29,924	10,095
Board of Management and Executive Board Expenses	280,998	300,166
Depreciation of Furniture and Fittings	14,989	13,060
Depreciation of Plant and Equipment	113,370	91,599
Depreciation of Motor Vehicles	192,886	189,635
Amortisation of Leased Motor Vehicle	11,460	5,736
Bad Debts	23,351	20,117
Stock Write Off	7,410	8,679
Operating Lease Rentals	373,738	358,176
Loss on Disposal of Plant & Equipment	84,792	46,054
Advertising Expenses	420,577	514,953
Cost of Inventory Purchases	316,883	318,207
Divisions and Membership Expenses	1,170,020	816,059
Employment, Education & Training Expenses	1,072,122	1,150,619
External Affairs Expenses	31,682	9,005
Industrial Relations Expenses	457,988	446,641
Events Activity	1,603,849	149,987
Property Expenses	1,635,576	1,639,456
Telephone Expenses	98,063	76,380
VACC Brand Advertising Campaign	762,123	760,016
Other Operating Expenses	4,856,234	3,209,932
Total Operating Expenses Other than Borrowing Costs	41,445,503	35,419,931
Finance Charges	113,006	98,745
Total Borrowing Cost	113,006	98,745
Total Operating Expenses	41,558,509	35,518,676

5. RECEIVABLES

		2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
CURRENT:			
Trade and other Receivables		6,711,480	6,532,291
Provision for Doubtful Debts		(477,077)	(328,848)
		6,234,403	6,234,403
NON CURRENT:			
Trade and other Receivables		-	33,649
		-	33,649

6. INVESTMENTS - SPECIAL CAPITAL FUND COMPRISES

		2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
Equity Funds (1)		62,826,223	58,675,710
Units in Property Trust (2)		29,466	26,831,233
Fixed Interest (3)		17,160	1,287,033
Discounted Security and Liquidity Fund (4)		19,147,025	27,485,401
		111,457,195	114,279,377

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

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

7. INVESTMENTS

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
INVESTMENTS AT COST:		
Share in MTAA Superannuation Fund P/L (1)	1	1
Shares in Working Capital Systems Pty Ltd (2)	-	100
INVESTMENTS AT FAIR VALUE:		
carsales.com Ltd (3) (Cost \$50,000)	2,547,500	2,467,500
Units in MTAA Unit Trust (Cost \$2,445,283)	2,056,702	2,448,006
	4,604,203	5,095,607

1. The ownership activity of the Company is to act as Trustee for the MTAA Superannuation Fund. VACC holds 9% (2014:9%) ownership interest in MTAA Superannuation Fund Pty Ltd.
2. The operating activity of the Company is to own and licence a receivables management platform, to third party users. MotorTradeCard Pty Ltd, 100% owned by VACC, owns 50% (2014:50%) of Working Capital Systems Pty Ltd. This investment was written off in 2015.
3. The operating activity of the Company consists of online classified and display advertising and provision of a number of software, data and other services predominantly sold to customers in the automotive industry. VACC holds a 0.1% (2014:0.1%) ownership interest in carsales.com Ltd
4. The operating activity of the Trust is to own and manage MTA House. VACC holds a 16% (2014:16%) ownership interest in the MTAA Unit Trust. The fair value of the units is determined with reference to the net assets of the underlying Trust.

8. PROPERTY

		2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
(A) NON CURRENT			
Property – VACC House, 464 St Kilda Road, Melbourne – at fair value (Cost \$9,970,771)		47,500,000	39,500,000
Property – TACC House, 200 New Town Road, New Town, Tasmania - at fair value (Cost \$676,150)		600,000	600,000
Property – 23 Queens Road Car Park, Melbourne - at fair value (Cost \$1,815,000)		1,600,000	1,600,000
		49,700,000	49,700,000
(B) RECONCILIATIONS	VACC House	TACC House	Car Park
Opening Balance	39,500,000	600,000	1,600,000
Total gains/losses recognised in other comprehensive income	8,000,000	-	-
Closing Balance	47,500,000	600,000	1,600,000

VACC House at 464 St Kilda Road Melbourne was revalued in June 2015 by independent valuation to reflect its current market value and 23 Queens Road, Melbourne was revalued in June 2013 by independent valuation to reflect its current market value. These independent valuations are based on capitalisation of market rentals and discounted cashflow analysis using a market capitalisation rate of 7.25%.

The property at 200 New Town Road, New Town was revalued in June 2013. This independent valuation was based on current market evidence and comparable transactions. Gains or losses from the revaluation of property are recognised in the Statement of Comprehensive Income as disclosed in accounting policy note 3(K). Property valuations are based on level 3 inputs.

9. PLANT AND EQUIPMENT

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
(A) PLANT AND EQUIPMENT		
Furniture and Fittings – Cost	378,616	418,793
Accumulated Depreciation	(344,156)	(371,846)
Net Book Value	34,460	46,947
Plant and Equipment – Cost	1,787,301	1,706,973
Accumulated Depreciation	(994,037)	(899,020)
Net Book Value	793,264	807,953
Motor Vehicles - Cost	1,339,198	1,556,026
Accumulated Depreciation	(552,191)	(588,906)
Net book value	787,007	967,120
Equipment Under Finance Lease Contract Cost	57,306	57,306
Accumulated Amortisation	(17,196)	(5,736)
Net book value	40,110	51,570
Total Net Book Value	1,654,841	1,873,590

9. PLANT AND EQUIPMENT (CONTINUED)

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
(B) RECONCILIATIONS		
Furniture and Fittings:		
Carrying Amount at Beginning	46,947	46,014
Additions	2,502	13,993
Disposals	-	-
Depreciation Expense	(14,989)	(13,060)
	34,460	46,947
Plant and Equipment:		
Carrying Amount at Beginning	807,953	714,350
Additions	103,604	186,484
Disposals	(4,941)	(1,282)
Depreciation Expense	(113,352)	(91,599)
	793,264	807,953
Motor Vehicles:		
Carrying Amount at Beginning	967,120	865,330
Additions	165,082	454,857
Disposals	(152,309)	(163,431)
Depreciation Expense	(192,886)	(189,636)
	787,007	967,120
Equipment Under Finance Lease Contract:		
Carrying Amount at Beginning	51,571	-
Additions	-	57,306
Disposals	-	-
Amortisation Expense	(11,461)	(5,735)
	40,110	51,571

10. PAYABLES

		2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
Trade Payables		586,344	1,086,500
Other Payables		1,888,724	1,356,208
		2,475,068	2,442,708

11. INCOME IN ADVANCE

Income In Advance		3,985,566	4,218,349
		3,985,566	4,218,349

12. INTEREST-BEARING LIABILITIES

Current:			
Bank Bill Business Loan		1,764,791	1,947,721
Lease Liability		12,133	11,404
Total Current Liability		1,776,924	1,959,125
Non Current:			
Lease Liability		33,830	45,963
Total Interest Bearing Liabilities		1,810,754	2,005,088

13. PROVISIONS

Current:			
Provision for Annual Leave		1,551,767	1,447,300
Provision for Long Service Leave		1,040,295	1,154,550
		2,592,062	2,601,850
Non-Current:			
Provision for Long Service Leave		65,725	81,769
Aggregate Employee Entitlement Liability		2,657,787	2,683,619

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14. REVENUE ACCUMULATION

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
Accumulated Surplus		
Opening Balance	115,698,423	115,260,656
Result for the year	(4,444,453)	437,767
	111,253,970	115,698,423

15. RESERVES

Special Capital Fund Reserve:		
Opening Balance	19,369,835	14,758,679
Result for the Year	2,013,112	4,611,156
Closing Balance	21,382,947	19,369,835
Asset Revaluation Reserve:		
Opening Balance	25,759,952	25,586,766
Devaluation – Units in MTAA Unit Trust	(391,304)	(116,814)
Revaluation of VACC House	8,000,000	-
Devaluation of Investment in carsales.com Ltd.	(100,000)	290,000
Total Asset Revaluation Reserve	33,268,648	25,759,952
Total Reserves	54,651,595	45,129,787

The Special Capital Fund Reserve is used to record increments and decrements of the Special Capital Fund. The Asset Revaluation Reserve is used to record increments and decrements in the value of non-current assets.

16. RECONCILIATION OF CASH

Cash and Cash Equivalents	2,887,141	2,702,176
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17. INTEREST IN JOINT ARRANGEMENTS

VACC has an interest in a number of joint arrangements, none of which are material to the group.

Freight Week

VACC has a 50% interest in Freight Week, (formally called the National Freight Conference). The event is held every 2 years and is a platform for freight, transport and business issues to be discussed. The last event was held in September 2013.

Surplus Distribution		-	80,000
Capitalised Seed Funding		50,000	50,000

Leisurefest

The Melbourne Leisurefest is a joint arrangement between the Caravan Trade & Industries Association of Victoria (CTIAV), and VACC. Leisurefest is Melbournes biggest exhibition of the latest RV, camping, touring and off road products. The last event was held in October 2014.

Surplus Distribution		111,750	111,750
Capitalised Seed Funding		-	-

All distributions have been recorded in the Income Statement.

Working Capital Systems Pty Ltd

MotorTradeCard Pty Ltd (MTC), a 100% owned subsidiary of VACC has entered into a joint arrangement with International Receivables Management (IRM) to manage Working Capital Systems Pty Ltd (WCS). WCS was established to deliver and run an in-house developed software platform.

Nil distributions (2014:\$Nil) were received and there were no management fees paid to MTC (2014: \$Nil).

In 2015, the loan to WCS was written off, therefore, at the reporting date, VACC loan receivable from WCS was \$Nil (2014:\$67,250).

Australian Motoring Festival

VACC has a 50% interest in Australian Motoring Festival. The Australian Motoring Festival (AMF) is organised under a joint arrangement between the RACV and VACC. The last event was held in March 2015.

Deficit Contribution		(1,381,120)	-
Capitalised Seed Funding		-	-

18. EXPENDITURE COMMITMENTS

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
Lease Expenditure Commitments		
(A) Operating Leases (non-cancellable):		
Minimum Lease Payments:		
- not later than one year	293,527	364,692
- later than one year and not later than five years	259,326	485,015
- later than five years	-	-
Aggregate lease expenditure contracted for at balance date	552,853	849,707
Aggregate expenditure commitments comprise:		
Amounts not provided for:		
- rental commitments	552,853	849,707
Aggregate lease expenditure contracted for at balance date	552,853	849,707

Operating leases had an average lease life of 1.82 (2014:2.09) years. Items subject to operating lease are various office equipment.

(B) Finance Lease Contracts Capitalised and included in plant and equipment		
- not later than one year	14,644	14,644
- later than one year and not later than five years	36,610	51,254
- later than five years	-	-
Total minimum lease payments	51,254	65,898
Less future finance charges	(5,291)	(8,531)
Lease Liability	45,963	57,367
- Current	12,133	11,404
- Non - Current	33,830	45,963
Total Lease Liability (refer to note 11)	45,963	57,367

19. CONTROLLED ENTITY

Name of Entity	Country of Incorporation	Class of Shares	Equity holding	
			2015 %	2014 %
MotorTradeCard Pty Ltd	Australia	Ordinary	100	100

The Consolidated Financial Statements incorporate the assets, liabilities and results of MotorTradeCard Pty Ltd in accordance with the accounting policy described in accounting policy note 3 (B).

20. FINANCIAL RISK MANAGEMENT

Terms, Conditions and Accounting Policies

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

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

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to VACC. Trade accounts payable are normally settled on 30-day terms and no interest is incurred on those accounts.

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

- Market risk
- Interest rate risk
- Fair values
- Credit risk

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

(A) Market Risk

Price Risk

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

	2015 CONSOLIDATED \$	2014 CONSOLIDATED \$
Listed Securities		
+/- 10% price variation	11,145,720	11,427,938
Impact on pre-tax result	11,145,720	11,427,938
Tax effect	-	-
Impact on equity	11,145,720	11,427,938

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) Interest Rate Risk

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

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

Consolidated Entity

Financial Instruments 2015	Level	Interest Bearing \$	Non-Interest Bearing \$	Total Carrying Amount \$	Weighted Average Effective Interest Rate %	Fixed/ Variable Rate \$
(i) Financial Assets						
Cash		2,887,141	-	2,887,141	1.10	Variable
Special Capital Fund	2	-	111,457,195	111,457,195		
Investments	1,2	-	4,604,203	4,604,203		
Trade and other receivables		34,567	6,676,913	6,711,480	11.96	Fixed
Total Financial Assets		2,921,708	122,738,311	125,660,019		
(ii) Financial liabilities						
Trade and other payables		-	2,475,068	2,475,068		-
Interest bearing liabilities		1,810,754	-	1,810,754	4.09	Variable
Total Financial Liabilities		1,810,754	2,475,068	4,285,822		
Financial Instruments 2014						
(i) Financial Assets						
Cash		2,702,176	-	2,702,176	2.00	Variable
Special Capital Fund	2	-	114,279,377	114,279,377		
Investments	1,2	-	5,095,607	5,095,607		
Trade and other receivables		68,216	6,497,724	6,497,724	11.96	Fixed
Total Financial Assets		2,770,392	125,872,708	128,643,100		
(ii) Financial Liabilities						
Trade and other payables		-	2,442,708	2,442,708	-	-
Interest bearing liabilities		2,005,088	-	2,005,088	4.79	Variable
Total Financial Liabilities		2,005,088	2,442,708	4,447,796		

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity

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

+/- 1%		Consolidated Entity 2015 \$	Consolidated Entity 2014 \$
Impact on profit after tax		29,217	27,704
Impact on equity		29,217	27,704

(C) Fair Values

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

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

(D) Credit Risk

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

Trade receivables are all within approved terms with the exception of 6.7%.

21. RELATED PARTY DISCLOSURES

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

P. R. Savige - Chairman

J. J. G. Buskes

M. W. Awramenko

P. Bertoli – appointed 27 January 2015

F. Bortolotto

C. J. Hummer

A. La Rosa – deceased 13 October 2014

T. L. Sanchez

T.J. Sitch

Transactions with Executive Board Members are carried out on the same commercial terms and conditions as other transactions with Members. Transactions, based on the same commercial terms and conditions as other transactions with businesses that VACC Members represent, were carried out with businesses that Executive Board Members represent.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015

22. REMUNERATION

Executive Board Members

Amounts paid or payable or otherwise made available to Executive Board Members

	2015 \$	2014 \$
	-	-

Executive Board Members are reimbursed at a rate of \$1,000 a month.

23. MEETINGS OF DIRECTORS

The number of meetings of the Executive Board and of each Board Committee held during the year ended 30 June 2015, and the number of meetings attended by each Director was:

	EXECUTIVE BOARD		FINANCE AND AUDIT COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
<i>M.W. Awramenko</i>	11	6	4	3
<i>P. Bertoli</i>	4	4	*	*
<i>F. Bortolotto</i>	11	9	*	*
<i>J.J.G. Buskes</i>	11	11	*	*
<i>C. J. Hummer</i>	11	9	*	*
<i>A. La Rosa (deceased 13 October 2014)</i>	4	1	4	1
<i>T. L Sanchez</i>	11	10	*	*
<i>P.R. Savige</i>	11	11	11	11
<i>T.J. Sitch</i>	11	8	11	11

* Not a member of the Committee.

24. AUDITOR'S REMUNERATION

Amounts received or due and receivable by Pitcher Partners for:	2015 \$	2014 \$
An audit or review of the financial report of the entity and any other entity in the consolidated entity	39,000	35,500
Other non-audit services		
- Taxation Services	5,000	4,600
- AIEEI Audit	1,300	2,750
- Energy Efficiency Project Audit	2,450	-
- Salary Packaging Advice	3,960	-
	51,710	42,850

25. SEGMENT INFORMATION

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

26. SUBSEQUENT EVENT

There has been no other matter or circumstance, which has arisen since 30 June 2015 that has significantly affected or may significantly effect:

- (a) the operations, in financial years subsequent to 30 June 2015, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2015, of the consolidated entity.

27. ORGANISATION INFORMATION

Victorian Automobile Chamber of Commerce (VACC) is:

- Domiciled in Australia
- Incorporated under the Fair Work (Registered Organisations) Act 2009.
- Registered address and principal place of business is VACC House, 464 St Kilda Road, Melbourne, Vic 3004
- Principal activity is that of an Employer Organisation
- Number of employees as at 30 June 2015 was 126 full time and 16 part time employees.
- Number of apprentices as at 30 June 2015 was 448

28. PARENT ENTITY INFORMATION

Summarised presentation of VACC's financial statements:

(A) Summarised Statement of Financial Position		2015	2014
		\$	\$
Assets			
Current Assets		7,804,120	7,146,229
Investments - Special Capital Fund		111,457,195	114,279,377
Non - current assets		55,959,045	48,717,865
Total assets		175,220,360	170,143,471
Liabilities			
Current Liabilities		8,859,141	9,055,694
Non - Current Liabilities		99,555	127,732
Total Liabilities		8,958,696	9,183,426
Net Assets		166,261,664	160,960,045
Equity			
Asset Revaluation Reserve		33,268,648	25,759,952
Special Capital Fund Reserve		21,382,947	19,369,835
Retained Earnings		111,610,069	115,830,258
Total Equity		166,261,664	160,960,045
(B) Summarised Statement of Comprehensive Income			
(Deficit)/Surplus for the year		(4,220,189)	736,922
Other comprehensive income for the year		9,521,808	4,784,342
Total comprehensive income for the year		5,301,619	5,521,264

29. FINANCING FACILITIES

Victorian Automobile Chamber of Commerce is the guarantor of its subsidiary MotorTradeCard Pty Ltd for its finance facilities to pay the users, buyers and sellers, of the system

		2015	2014
		\$	\$
Bank Bill Business Loan	Facility	3,000,000	3,000,000
	Unused Amount	1,234,209	1,052,279

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

BOARD RESPONSIBILITIES

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

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

These mechanisms include the following:

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

On behalf of the Board,



Peter R. Savige
PRESIDENT



Tony L. Sanchez
VICE PRESIDENT

14 October 2015
Melbourne

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE AND CONTROLLED ENTITY
EXECUTIVE BOARD'S DECLARATION

On 14 October 2015, the Executive Board of the Victorian Automobile Chamber of Commerce passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the organisation for the financial year ended 30 June 2015:

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

- (a) The Financial Statements and Notes comply with Australian Accounting Standards;
- (b) The Financial Statements and Notes comply with the financial reporting guidelines of the RO Act;
- (c) The Financial Statements and Notes give a true and fair view of the financial performance, financial position and cash flows of the organisation for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - (i) Meetings of the Executive Board were held in accordance with the Rules of the Organisation; and,
 - (ii) The financial affairs of the organisation have been managed in accordance with the Rules of the Organisation; and,
 - (iii) The financial records of the organisation have been kept and maintained in accordance with the RO Act and,
 - (iv) The information sought in any request of a member of the organisation or the General Manager of Fair Work Australia duly made under Section 272 of the RO Act has been furnished to the member or the General Manager; and,
 - (v) No orders have been made by the Commission under Section 273 of the RO Act during the period.

On behalf of the Board,



Peter R. Savage
PRESIDENT



Tony L. Sanchez
VICE PRESIDENT

14 October 2015
Melbourne

I, Peter Savage, being the designated officer responsible for preparing this Report for the financial year ended 30 June 2015 of the Victorian Automobile Chamber of Commerce, report as follows:

Principal Activities:

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

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

Review of Principal Activities

VACC and its subsidiary reported a deficit of \$4,444,453 (2014: surplus of \$437,767) for the year ended 30 June 2015.

Revenue from operating activities were \$37,114,056 (2014: \$35,956,443) and expenses from operating activities were \$41,558,509 (2014: \$35,518,676).

Significant Changes

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

Manner of Resignation:

Members may resign from the Association in accordance with Rule 16, which reads as follows:

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

Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (2) The notice of resignation shall be in writing addressed to the Executive Director and shall be delivered to him by:
 - (a) Leaving it with him personally; or,
 - (b) Leaving it in an envelope addressed to him at the registered office of the Association; or,
 - (c) Posting it in an envelope addressed to him at the registered office of the Association.
- (3) The notice of resignation takes effect:
 - (a) Where the member ceases to be eligible to become a member of the Association;
 - (i) On the day on which the notice is received by the Association; or,
 - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,Whichever is later; or,
 - (b) In any other case:
 - (i) At the end of 2 weeks after the notice is received by the Association; or,
 - (ii) On the day specified in the notice,Whichever is later.
- (4) A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not invalid because it was not addressed to and delivered to the Executive Director.
- (6) A resignation from membership of the Association is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

Officers or Members holding the position of a trustee of a superannuation entry.

There were no officers or Members who were a trustee of a Superannuation entity.

Number of Members

The number of persons at 30 June 2015 who were recorded on the Register of Members of the Association was 5,226.

Number of Employees

The number of employees of the Association at 30 June 2015 was 126 full time employees and 448 apprentices.

Members of Board of Management

The persons who held office as Members of the Board of Management of the Association during the reporting period were:

Wayne Alway – *elected 15 October 2014*

Mark Awramenko

Allan Bartlett

Chris Bent

Paul Bertoli

Stephen Bennett

Fury Bortolotto

Des Brown

Donald Brown

John Buskes

Doug Burke

Andrew Cleary – *elected 15 October 2014*

Morry Corvasce

Andrew Crammond – *elected 15 October 2014*

Larry Eaton

Michael Grubb

Chris Hummer

Max Kirwan

Rachel Krok – *elected 15 October 2014 and resigned 2
June 2015*

Brad Kreymborg – *term expired 14 October 2014*

Tony La Rosa – *deceased 13 October 2014*

Paul Lewis – *term expired 14 October 2014*

Gary McKendry

Trevor Oliver

Terry Paget

Marie Pangbourne

Robert Parisi – *elected 15 October 2014*

Neil Pearce – *resigned June 2015*

Martin Sanchez

Tony Sanchez

Peter Savige

Russell Stuckey

Tony Sitch

Jason Trewin – *elected 15 October and resigned 17 February 2015*

Eddie van den Berg

Anthony Verdini – *elected 15 October 2014*

Eddie Woods – *elected 15 October 2014*

On behalf of the Board,

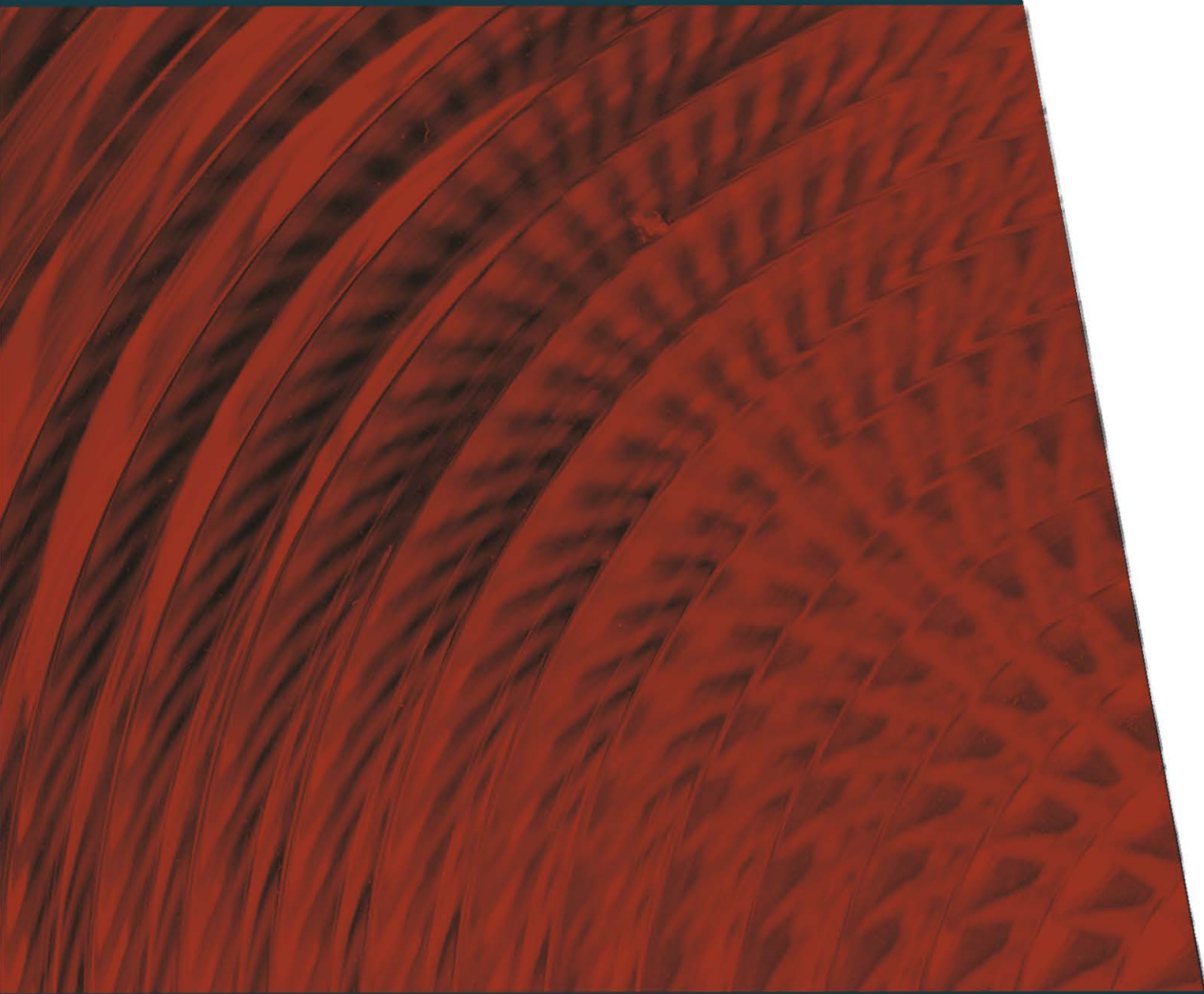


Peter R. Savige
PRESIDENT

14 October 2015
Melbourne

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INDEPENDENT AUDITOR'S REPORT



**VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
ABN 63 009 478 209**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE**

We have audited the accompanying financial report of Victorian Automobile Chamber of Commerce and controlled entity, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Executive Board's declaration.

Responsibility of the Executive Board

The Executive Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the reporting requirements of the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Executive Board determines 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Victorian Automobile Chamber of Commerce's preparation and fair presentation of the financial report 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 Victorian Automobile Chamber of Commerce's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with APES 110 *Code of Ethics for Professional Accountants*.


VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
ABN 63 009 478 209

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE

Opinion

In our opinion, the financial report of Victorian Automobile Chamber of Commerce is in accordance with the Fair Work (Registered Organisations) Act 2009 including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the financial reporting requirements of the Fair Work (Registered Organisations) Act 2009.



BJ BRITTEN
Partner
CA, Public Practice Certificate Holder



PITCHER PARTNERS
Melbourne

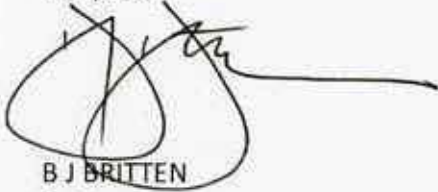
20 October 2015

AUDITOR'S INDEPENDENCE DECLARATION**To the Members of the Executive Board of the Victorian Automobile Chamber of Commerce**

In relation to the independent audit for the financial year ended 30 June 2015, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the Fair Work (Registered Organisations) Act 2009; and
- (ii) No contraventions of any applicable code of professional conduct.

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



B J BRITTEN
Partner
CA, Public Practice Certificate Holder



PITCHER PARTNERS
Melbourne

20 October 2015