



Mr Wayne Kayler-Thomson
Secretary
Victorian Employers' Chamber of Commerce and Industry
GPO Box 4352
MELBOURNE VIC 3000

Dear Mr Kayler-Thomson,

Financial Report for the Year Ended 30th June 2007 – FR2007/451
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

Thank you for the financial report of the Victorian Employers' Chamber of Commerce and Industry for the year ended 30th June 2007. The documents were lodged in the Industrial Registry on 4th December 2007. Receipt is also acknowledged of the Designated Officer's Certificate on 12th December 2007.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents that have been lodged.

Operating Report – Changes in Financial Affairs

As you are aware, section 254(2) of the RAO Schedule requires the Committee to prepare an Operating Report. Paragraph (b) requires the report to 'give details of any significant changes in the reporting unit's financial affairs during the year'. If there have been no significant changes then you are requested to include a sentence to that effect (such as under the heading 'Review and Results of Operations').

Operating Report – Superannuation Trustees

The information that has been provided in the Operating Report regarding superannuation trustees does not meet the requirements of the RAO Schedule. The Operating Report is required to state whether any officer or member of the Branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

By way of example, a mock Operating Report which the Registry has drawn up to assist organisations in understanding their obligations under the RAO Schedule contains the following information about superannuation trustees:

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme s254(2)(d)

The following officers of the Association held preserved positions in the following entities

John Smith (Secretary) is a Trustee of the Able Superannuation Fund, by virtue of the deed of that Fund preserving one Trustee position for the serving Secretary of the Association.

Julia Makanka (Vice President) is a Director of EST Pty Ltd, a trustee company that is the trustee of Siksuper, an exempt public sector superannuation scheme.

Harry Brigitte is the staff elected representative on the ABC Board

You are requested, in future, to ensure that the requirements of section 254(2)(d) of the RAO Schedule regarding superannuation trustees are met in the Operating Report.

Auditor's Qualifications

While in all likelihood the auditor meets the requirements of the RAO Schedule, in future the Auditor's Report should be amended to provide details of the Auditor's qualifications to confirm that he or she is an 'approved auditor' under section 256 of the RAO Schedule and Regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (RAO Regulations). Regulation 4 defines an 'approved auditor' as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

A copy of this letter will be sent to the auditor for future reference.

Statement of Loans, Grants and Donations

Page 9 of the accounts itemises donations of \$4,662 that were made during the financial year. Our records do not, however, show that the organisation has lodged a Statement of Loans, Grants and Donations under section 237 of the RAO Schedule. Subsection 237(1) requires a reporting entity to lodge a Statement within 90 days of the end of the financial year (that is, by 28th September 2007) setting out the relevant particulars in relation to each loan, grant or donation *of an amount exceeding \$1,000* made during the financial year.

Should any of the amounts exceed the \$1,000 threshold, you are requested to lodge a Statement of Loans, Grants and Donations as soon as possible. A pro-forma statement is included for your assistance.

General Purpose Financial Report

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- affiliation fees or subscriptions to political parties or industrial bodies (11(d));
- grants or donations made by the reporting unit (11(f));
- employment benefits paid to office holders (11(g));
- employment benefits paid to employees (other than office holders) (11(h));
- legal costs (11(j));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));
- penalties imposed on the reporting unit by the *Workplace Relations Act* (11(l));
- capitation fees or membership subscriptions (11(b)); and
- levies that have been imposed upon the reporting unit (11(e)).

Each of these items must be *separately* disclosed.

While some of the items listed above are separately disclosed in the accounts, there is a single item for 'Other expenses from continuing operations' with a value of \$7,008,932.

Should this figure include any of the items that are required to be separately disclosed by the Guidelines then you are requested to break this figure down in future. In particular, for example, expenses related to meetings and conferences must be separately disclosed under guidelines 11(i) and 11(k).

The Guidelines may be accessed on our web page at www.airc.gov.au (go to 'Registered organisations' and then 'RAO reporting guidelines' and select '253').

Please contact me by email at ailsa.carruthers@air.gov.au or on (03) 8661 7767 on a Monday, Wednesday or Thursday if you have any questions.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/237V>.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Ailsa Carruthers'.

Ailsa Carruthers
Statutory Services Branch

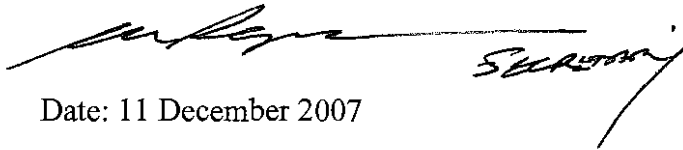
13th December 2007

cc: KC Wood
RSM Bird Cameron
PO Box 248
Collins St West VIC 8007

Designated Officer's Certificate
2268 of Schedule 1B Workplace Relations Act 1996

I Wayne Kayler-Thomson being the Secretary of the Victorian Employers' Chamber of Commerce and Industry certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report , was provided to members on 23 November 2007; and
- That the full report was presented at the Annual General Meeting of members of the reporting unit on 20 November 2007; in accordance with section 266 of the RAO Schedule.


Date: 11 December 2007

RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

- (a) the secretary; or*
- (b) (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.*



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7767
Fax: (03) 9655 0410
Email: ailsa.carruthers@air.gov.au

Mr Wayne Kayler-Thomson
Secretary
Victorian Employers' Chamber of Commerce and Industry
GPO Box 4352
MELBOURNE VIC 3000

Dear Mr Kayler-Thomson,

Financial Report for the Year Ended 30th June 2007 – FR2007/451
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

Thank you for the financial report of the Victorian Employers' Chamber of Commerce and Industry for the year ended 30th June 2007. The documents were lodged in the Industrial Registry on 4th December 2007.

The report has not been filed due to the failure to include a Secretary's Certificate. The certificate must be prepared by a 'designated officer': that is, by either the elected Secretary or by another elected office holder who is authorised by the organisation or its rules to sign the certificate (see regulation 162 and the definitions of 'officer' and 'office' in sections 6 and 9 respectively of the RAO Schedule).

A sample certificate is enclosed for your assistance.

Once the certificate has been lodged with the Registry the report will be examined and filed, if appropriate.

Please contact me by email at ailsa.carruthers@air.gov.au or on (03) 8661 7767 on a Monday, Wednesday or Thursday if you have any questions.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Ailsa Carruthers".

Ailsa Carruthers
Statutory Services Branch

10th December 2007

Designated Officer's¹ Certificate

s268 of Schedule 1B Workplace Relations Act 1996

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]*², referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]*³, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]*³ of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



**Office of the
Chief Executive**

**Victorian Employers'
Chamber of Commerce
and Industry**

ABN 37 650 959 904
486 Albert Street
East Melbourne
Victoria 3002 Australia
GPO Box 4352 Melbourne
Victoria 3001 Australia
Telephone: 03 8662 5441
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wkaylerthomson@vecci.org.au
www.vecci.org.au

30 November 2007

Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

To Whom It May Concern:

The Victorian Employers' Chamber Of Commerce and Industry held its Annual General Meeting on Tuesday 20 November at 3.00 pm and I am therefore, pleased to enclose a copy of the VECCI 2006/2007 Financial Report for your records.

If you have any queries, please do not hesitate to contact me on
Ph: 8662 5441.

Yours sincerely

Wayne Kayler-Thomson
Chief Executive Officer

Ballarat

305A Dana Street
Ballarat Victoria 3350
Telephone: 03 5327 7190
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ballarat@vecci.org.au

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21 Short Street
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**2006/2007
ANNUAL
FINANCIAL
REPORT**

vecci

CONSTRUCTION SERVICES



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PRESIDENT'S ADDRESS

This is my final report, after four exhilarating years as President. It also is the culmination of over 20 years of being actively involved in the Chamber movement, an involvement I intend keeping while still active in business.

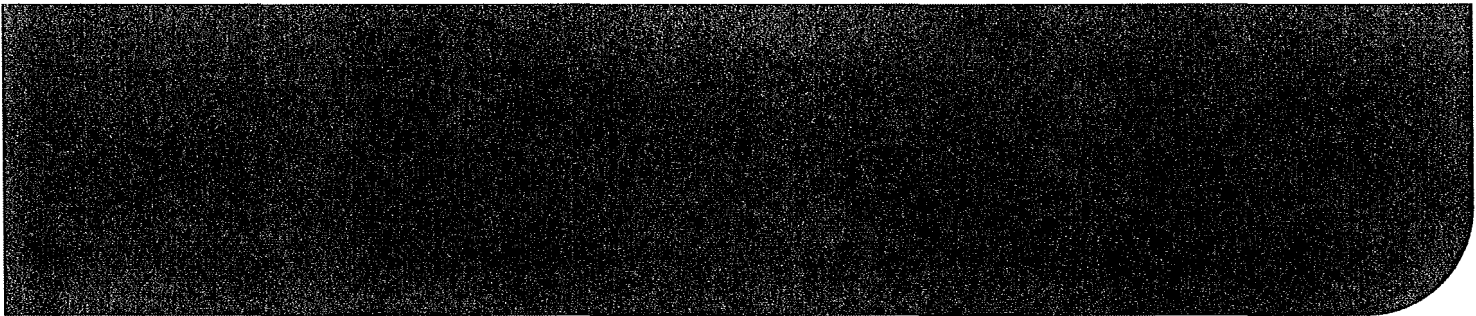
It is of no surprise, I'm sure, that over this period there has been a lot of change within VECCI and the Chamber movement overall although core fundamentals of the Chamber movement have changed little. We are there for our members and committed to representing business and ensuring a positive business environment that is compatible with the community we work within.

The major shift in our focus is from being principally a reactive industrial relations based organisation, to an organisation that confronts the NEW priorities of the business community, particularly in areas such as the environment, skills development, major projects like channel deepening, roads and infrastructure, and working with governments for a positive economic environment that marries business objectives with the needs of our society as a whole.

It has meant we have had to work closely in creating partnerships with both government and non-government agencies, to ensure that the voice of business is heard on a diverse range of contemporary issues that will form the foundation for our business environment in the years ahead.

THE KEY INITIATIVES REFLECTING THIS NEW APPROACH INCLUDE:

- The continuation of the '**Victoria Summit**', initially started in 2005, and now being repeated this year. This is Victoria's primary event focussing on issues that will impact on all our businesses in the next decade, and developing policies in a bi-partisan manner where businesses, politicians and the community can develop like-minded strategies for the future.
- Committing to key business activities such as Grow Me The Money, our resource efficiency partnership with EPA Victoria. This is blossoming into a significant entity in its own right that ensures business can actively participate in environmental programs that in simple terms are "good for business" and the community.
- Promoting the Victoria Tourism Industry Council (VTIC) as the principal tourism body in the State to ensure there is a focus on Victoria as a destination site second-to-none.
- Developing and managing unique training programs to foster skills development in a manner that sets it apart from traditional academic forums.
- Undertaking a joint program with government to develop a '**carbonDown**' program led and initiated by business in a sustainable and achievable way. This involves an investment of over \$10 million.
- Creating the '**International Business Centre**' in partnership with Invest Victoria, the City of Melbourne and business partners, which is focussed on developing stronger ties with our key trading and investment partners.



We have a totally bi-partisan approach to politics and, through this, recognise it is our obligation to be proactive and strong in putting positive initiatives so that business is listened to and seen as a positive force for change. The future environment for business is changing, and while historically industrial relations policy and advice and government regulation was core to our existence, we now embrace a philosophy of being on the front foot with change management. We want to ensure that issues like the environment and skills development are managed with our positive input, both intellectually but more importantly, by putting money behind the preferred solutions.

In closing, I can confirm we are financially strong, with revenue rising to \$32.8 million from \$28.8 million last year, and profit rising to \$6.6 million from \$5 million last year. This has been the result of a three year strategy to ensure we develop value for money in all that we do! Our membership offering is being constantly reviewed and re-positioned to ensure that we can offer flexible membership packages that meet the diversity of needs from the business community.

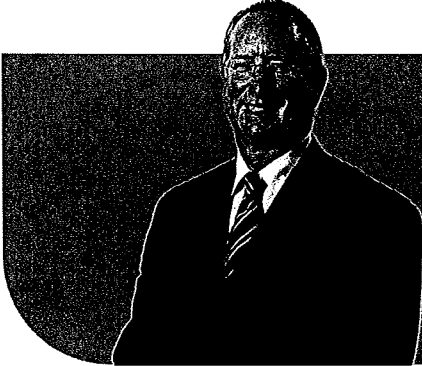
I would like to thank management, ably led by Neil Coulson and now Wayne Kayler-Thomson, for implementing these changes successfully. Our management team remains the cornerstone of the success of the organisation.

I would also like to thank our Board members for their commitment in time and effort to see the organisational changes through. Each of them gives of themselves to provide management with the tools and support for them to operate effectively.

VECCI will continue to offer leadership in business initiatives and focus on quality in everything we do to set standards for business. We will be the voice of business in this State, and proactive in committing to activities and ventures that will shape the future of business in our State.



Richard Holyman
President



CEO'S MESSAGE

The Victorian economy and business sector are very much at the crossroads in terms of how future challenges are dealt with.

As a consequence of this, VECCI's focus will increasingly be about leading the way for the business community by encouraging business excellence.

VECCI has adapted to the changing business climate with a strong advocacy focus aimed at improving the environment for Victorian business, as well as improving the services and advice we offer members.

We have also continued mechanisms to encourage direct member involvement in the policy-making process. This includes member Policy TaskForces around our biennial Victoria Summit which is taking place in November 2007.

POLICY AND PROGRAM HIGHLIGHTS FOR 2006/07

After cuts in WorkCover premiums, payroll tax and land tax in the May 2006 State Budget, we repeated the effort with further cuts in WorkCover premiums and land tax in the May 2007 State Budget.

These measures counteract some of the increased cost pressures faced by business in recent times, brought about by higher interest rates, increased petrol prices, a higher Australian dollar and wage pressures as a result of skills shortages.

VECCI also continued to be the leading business voice in support of channel deepening in Port Phillip Bay, Victoria's key trade gateway, presenting strongly at the Panel Inquiry into the Supplementary Environmental Effects Statement.

Major submissions were also made to the East West Link Needs Assessment Inquiry and the Prime Minister's TaskForce into Emissions Trading, and in light of divisive media reporting of water shortages, VECCI strongly defended industry's excellent record with water use.

A major initiative we launched in July 2006 was the VECCI/EPA Grow Me the Money Program, which has had a terrific response by small-to-medium enterprises seeking to cut energy and water inputs and waste outputs.

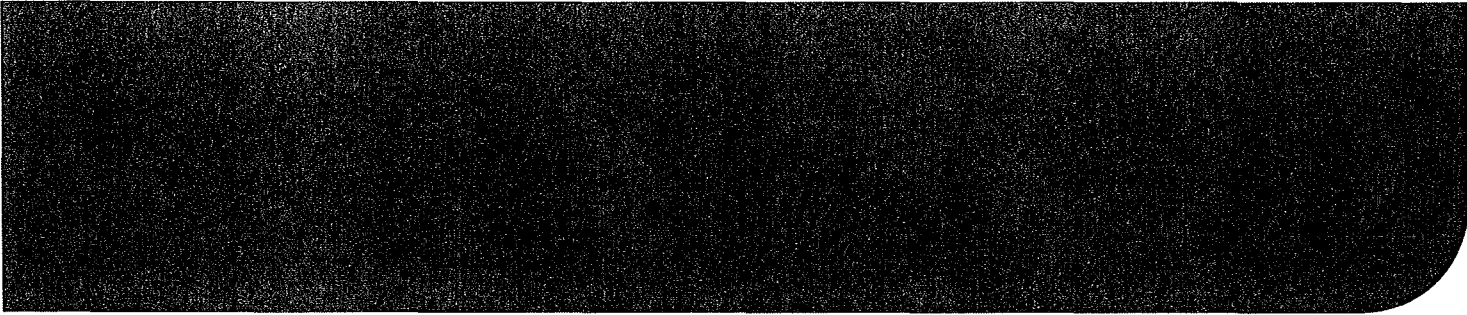
Climate change achieved greater prominence as an issue during 2006/07 and as part of our efforts to combat this phenomenon at the business level, it was announced in the 2007 State Budget that VECCI would be partnering with the State Government to run a \$10 million program called carbonDown, which is aimed at helping businesses reduce their carbon impact in the most cost-effective way.

LOOKING AHEAD

Looking forward, the current financial year poses a number of new challenges for business that we will actively lobby on.

Our policy efforts for the remainder of 2007 will largely focus on the upcoming Victoria Summit, which brings together community and sustainability as well as economic themes. The themes are focussed around: managing the transition to a lower carbon economy; managing e-waste; stimulating industry participation in land and waterways management; and localising skills and education.

In 2008, we will also be holding an inaugural biennial Regional Business Convention, aimed at developing a future-focussed regional business policy agenda.



Over 2007/08, we will continue to push for a new East-West Link for Melbourne and the Port Phillip Bay Channel Deepening Project, as well as further business cost reductions, particularly in the area of WorkCover premiums.

The lack of Spring rain will possibly lead to reduced water in storage for Melbourne and other Victorian cities and towns, and will ensure that we will need to be ready to highlight industry's strong performance in cutting water use over the years, its willingness to do more and the strong levels of interdependence between industry and households with regards to water use by either sector.

The change of Victorian Premier, Deputy Premier and senior Ministers has been handled smoothly, with the new Treasurer John Lenders giving one of his first major portfolio speeches to VECCI members on the topic of regulation reform, and VECCI retaining its traditionally strong links to both the Victorian Government and State Opposition.

More broadly, we are implementing a 'Business Excellence' agenda across our business for the benefit of our members – this will include a strong emphasis on Corporate Social Responsibility (CSR) and sustainability performance as well as economic results.

Our Business Excellence Program will assist our members, customers and clients focus on social and environmental values as well as economic ones to achieve sustainable competitive advantage.

Our own commitment to Business Excellence will be achieved through:

- Public policy advocacy as an honest broker operating without fear or favour between industry, government and the wider community; and
- As a distributed learning and research centre for business and industry that focuses not only on our traditional industrial relations and training services but provides opportunities to learn how to predict, discern and gain from changes in economic, political and cultural environments.

We have already made great strides in CSR through the Grow Me the Money Program and there are also synergies between our Business Excellence approach and social policy outcomes, which is already being reflected in the collaborative policy work we are pursuing with community organisations.

Your active support on these and other VECCI priorities throughout 2007/08 will be essential. Finally, I would like to thank our President, Board, Executive Council, members, customers, clients and staff for their efforts in contributing to VECCI's success in 2006/07.



Wayne Kayler-Thomson
Chief Executive Officer

OPERATING REPORT

MEMBERS OF COMMITTEE OF MANAGEMENT

The Members of the Committee of Management ("Board of Directors") comprise of elected representatives of the Executive Council of Victorian Employers' Chamber of Commerce and Industry ("VECCI") who form the Board of Directors. The immediate past President of VECCI is able to attend meetings of the Board of Directors but is not entitled to be a member of the Board, move or second a vote on any motion.

The Directors present their report together with the financial report of VECCI for the ended 30 June 2007 and the Auditors' Report there on.

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

- Mr Richard Holyman (President), appointed 28.3.00
- Mr Peter McMullin (Vice President), appointed 22.11.05
- Mr Kevin Brown (Committee Member/Director), appointed 27.5.03
- Mr Jeremy Johnson (Committee Member/Director), appointed 30.7.02
- Mr Tony Robinson (Committee Member/Director), appointed 26.8.03 (Resigned 27.07.06)
- Mr Peter O'Brien (Immediate Past President), appointed 16.12.99
- Mr Neil Coulson (Chief Executive Officer), appointed 11.8.01 (Resigned 28.8.07)
- Mr Patrick Leggett (Committee Member/Director) appointed 27.07.04
- Ms Wendy Swift (Committee Member/Director) appointed 07.06.05
- Mr Ian Bird (Director), appointed 05.09.06
- Mr Paul Duckett (Director), appointed 21.11.06 (Resigned 08.06.07)

MEETINGS – BOARD OF DIRECTORS

The number of meetings attended by each of the Directors of VECCI during the financial year were:

	No of Meetings Held while in Office	Meetings Attended
Mr Richard Holyman	11	11
Mr Peter McMullin	11	6
Mr Kevin Brown	11	11
Mr Jeremy Johnson	11	9
Mr Tony Robinson	1	1
Mr Peter O'Brien	11	9
Mr Neil Coulson	11	11
Mr Pat Leggett	11	10
Ms Wendy Swift	11	10
Mr Ian Bird	11	9
Mr Paul Duckett	7	6

PRINCIPAL ACTIVITIES

The principal activities of VECCI 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. There was no significant change in the nature of these activities during the period.



REVIEW AND RESULTS OF OPERATIONS

VECCI recorded an Operating Profit for the year ended 30 June 2007 of \$6,618,792 (2006: \$5,023,908).

Net Assets at 30 June 2007 totalled \$65,406,087 (2006: \$57,264,786).

MEMBERSHIP OF VECCI

As at 30 June 2007 VECCI had 4,430 (2006:4,604) voting members and 1,387 (2006:1,583) other contributors, totalling 5,817 (2006:6,187).

EMPLOYEES OF VECCI

As at 30 June 2007 the total number of employees was 208.

MANNER OF RESIGNATION

Rule 10 provides for the process of resignations.

- (a) (i) A member may resign from membership of the Organisation by written notice addressed and delivered to the Secretary. Such notice shall be taken to have been received by the Organisation when delivered to the Secretary.
- (ii) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered to the Secretary.
- (iii) A resignation from membership of the Organisation is valid even if it is not effected in accordance with paragraph (i) hereof if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.
- (b) A notice of resignation from membership of the Organisation takes effect
 - (i) where the member ceases to be eligible to become a member of the Organisation:
 - 1. on the day on which the notice is received by the Organisation; or
 - 2. on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or
 - (ii) in any other case:
 - 1. at the expiration of 2 weeks after the notice is received by the Organisation; or
 - 2. on the day specified in the notice; whichever is later.
- (c) If a member ceases to be engaged in or as an employer in the industry the membership of such member may, subject to the member being accorded natural justice, be determined summarily by resolution of the Executive Council, provide however that such determination shall not affect the liability of the member to pay all monies owing by the member to the Organisation.
- (d) Any dues payable but not paid by a former member of the Organisation, in relation to a period before the member's resignation or termination from the Organisation took effect, may be sued for and recovered in the name of the Organisation in a court of competent jurisdiction, as a debt due to the Organisation.
- (e) If a member becomes unfinancial in accordance with Rule 9 his name may be struck off the Register of Members by Order of the Executive Council. Any member shall cease to be a member of the Organisation as soon as his name shall have been struck off the Register of Members by Order of the Executive Council and not sooner. Provided that where a member has become unfinancial and at least fourteen (14) days before the Executive Council orders that the member be struck off the Register of Members, the Secretary shall advise the person, in writing, that if he fails to pay the outstanding subscriptions within fourteen (14) days of the date of the letter then he will be struck off the Register of Members without further notice. If the person pays the outstanding subscriptions within that time then he shall not be struck off the Register of Members.
- (f) Any member who shall be expelled from the Organisation under the Provisions of Rule 40 hereof shall thereupon cease to be a member.
- (g) Members ceasing to be such from any cause whatsoever shall have no claim of any kind – monetary or otherwise – on the organisation or its assets

OPERATING REPORT

continued

SUPERANNUATION TRUSTEES

VECCI (as the employer) has nominated both ING's Integra Master Trust and Vic Supers' Public Offer Superannuation fund as the default platform options. The present default options provide employees with various investment options. A policy committee within VECCI also exist working in conjunction with the trustee. The policy committee within VECCI comprises two employer representatives in the Chief Operating Officer and Human Resources Manager, along with two elected staff representatives. The policy committee meets quarterly and provides a forum for dealing with any queries regarding the plan's investment options and benefits.

EVENTS AFTER BALANCE DATE

There are no material known events subsequent to the reporting date that are required to be disclosed.

Signed in accordance with a resolution of the Committee of Management



Signed: Secretary/Chief Executive Officer

Wayne Kayler-Thomson

At Melbourne, 27 September 2007

**INCOME STATEMENT
FOR THE YEAR ENDED
30 JUNE 2007**

	<i>Note</i>	2007 \$	2006 \$
Revenues from operating activities	2	32,829,698	28,784,608
Expenditure from operating activities			
Affiliation Fees		412,544	514,473
Business Fighting Fund		84,426	95,318
Depreciation expense	3a.	993,190	1,319,175
Donations		4,662	2,831
Federal & State Government Programs (excluding remuneration)		3,315,160	2,216,974
Occupancy		1,262,241	1,446,446
Remuneration – employees		11,710,873	10,314,102
Remuneration – office bearers	4a.	377,860	343,278
Superannuation		1,041,018	1,238,437
Other expenses from continuing operations		7,008,932	6,269,666
Total Expenditure		26,210,906	23,760,700
Profit attributable to members of the VECCI	3 & 12	<u>6,618,792</u>	<u>5,023,908</u>

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	5	3,972,064	1,897,006
Trade and other receivables	6	3,387,881	2,650,803
Financial assets at fair value	7	5,114,074	3,046,119
TOTAL CURRENT ASSETS		12,474,019	7,593,928
NON-CURRENT ASSETS			
Financial Assets at Fair Value	7	39,458,126	35,379,517
Intangible assets	8	101,016	144,462
Property, plant and equipment	9	20,212,498	19,026,254
TOTAL NON-CURRENT ASSETS		59,771,640	54,550,233
TOTAL ASSETS		72,245,659	62,144,161
CURRENT LIABILITIES			
Trade and other payables	10	5,493,414	3,635,263
Short-term provisions	11	999,745	854,604
TOTAL CURRENT LIABILITIES		6,493,159	4,489,867
NON-CURRENT LIABILITIES			
Long-term provisions	11	346,413	389,508
TOTAL NON-CURRENT LIABILITIES		346,413	389,508
TOTAL LIABILITIES		6,839,572	4,879,375
NET ASSETS		<u>65,406,087</u>	<u>57,264,786</u>
MEMBERS' FUNDS			
Retained earnings	12	61,608,145	54,989,353
Reserves	12	3,797,942	2,275,433
TOTAL MEMBERS' FUNDS		<u>65,406,087</u>	<u>57,264,786</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES
IN MEMBERS' FUNDS
FOR THE YEAR ENDED
30 JUNE 2007**

	<i>Note</i>	2007 \$	2006 \$
Balance at the beginning of the financial year		57,264,786	49,965,445
Revaluation increment on Land and Buildings	12	1,522,509	2,275,433
Profit for the year	12	6,618,792	5,023,908
Balance at the end of the financial year		<u>65,406,087</u>	<u>57,264,786</u>

The accompanying notes form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED
30 JUNE 2007**

	<i>Note</i>	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and others		31,715,914	28,203,488
Payments to suppliers and employees		(23,246,679)	(22,657,619)
Interest received		365,965	501,258
Net cash provided from operating activities	15b	8,835,202	6,047,127
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for investments		(6,146,664)	(5,074,039)
Payment for purchase of property, plant, equipment and Intangibles		(613,478)	(1,208,284)
Net cash (used in) investing activities		(6,760,142)	(6,282,323)
Net (decrease) / increase in cash held		2,075,058	(235,196)
Cash at beginning of the financial year		1,897,006	2,132,202
Cash at end of the financial year	15a	3,972,064	1,897,006

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1: ENTITY INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report is for the entity VECCI as an individual entity. VECCI is a registered Employer Association under the Australian Workplace Relations Act 1996, incorporated and domiciled in Australia.

The financial report of VECCI complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

BASIS OF PREPARATION

Reporting Basis and Conventions

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

A. INCOME TAX

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

B. PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less any accumulated depreciation, where applicable.

PROPERTY:

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is VECCI's policy to have an independent valuation every three years, with annual appraisals being made by the directors.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

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. 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 have not been discounted to present values in determining the recoverable amount.

C. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Managed investments are recorded at their redemption value as at the reporting date, and changes in the net market value of these investments are recognised in the Income Statement. Managed investments and deposits at call, although readily convertible to cash, are classified as non-current as the intention is to hold these investments for greater than 12 months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

continued

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. DEPRECIATION

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their useful lives to VECCI 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	Depreciation Rate
Buildings	2.5%
Plant and equipment	20-27%

E. LEASES

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that VECCI 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.

Lease payments under 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.

F. EMPLOYEE BENEFITS

Provision is made for VECCI's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled within one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits and on-costs payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by VECCI to an employee superannuation fund and are charged as expenses when incurred.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash includes cash on hand and in at call deposits with banks or financial institutions.

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

I. REVENUE

Membership subscription and rental income is recognised on an accrual basis.

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

Dividend 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.

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

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

J. COMPARATIVE FIGURES

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

K. IMPAIRMENT OF ASSETS

At each reporting date, VECCI 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 the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, VECCI estimates the recoverable amount of the cash-generating unit to which the asset belongs.

L. INTANGIBLE ASSETS

Intangible assets are recorded on a cost basis and amortised over the life of the asset.

M. PROVISIONS

Provisions are recognised when VECCI 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.

N. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statement in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying VECCI's accounting policies. In preparing the financial statement the following estimates were made:

- depreciation and amortisation;
- provision for impairment of trade and other receivables

**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**
continued

	2007 \$	2006 \$
Note 2: REVENUE		
Operating activities		
Membership and Contributors Subscriptions		
Membership and Contributors	6,525,776	6,651,767
Other Non Subscription Income		
Business Fighting Fund	84,426	95,317
Non Subscription Income	1,119,737	1,142,630
	<u>7,729,939</u>	<u>7,889,714</u>
Federal and State Government Program	13,311,361	11,093,893
Professional Services	4,806,576	4,025,713
Investment Income		
Net Gain on Managed Investments	5,571,215	4,381,473
Interest Income	365,967	501,258
	<u>5,937,182</u>	<u>4,882,731</u>
Property Income	1,044,640	892,557
	<u>32,829,698</u>	<u>28,784,608</u>

Note 3: PROFIT FROM CONTINUING OPERATIONS

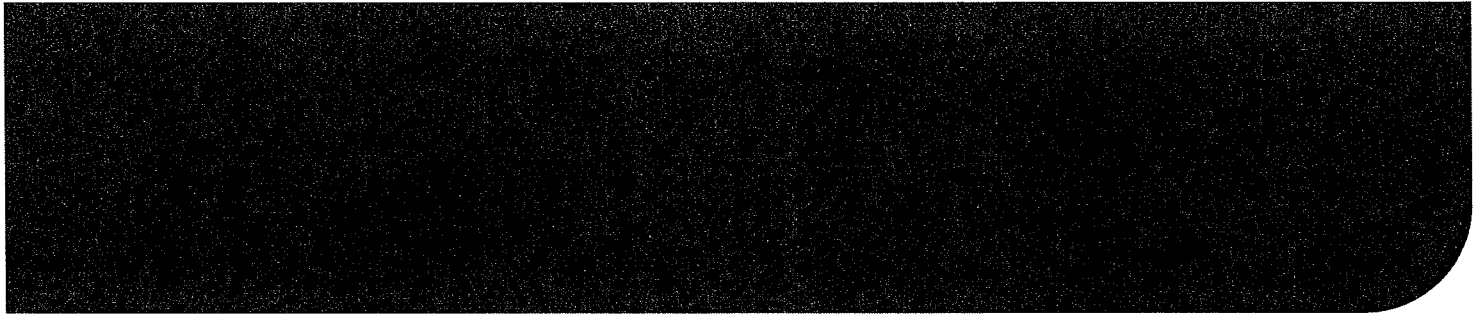
Profit has been determined after:

a. **Expenses**

Depreciation of property, plant and equipment	993,190	1,319,175
Bad and doubtful debts	321,225	299,353
Legal expenses	145,541	47,260
Remuneration of auditor		
– audit	57,500	52,000
– other services	34,007	14,731

b. **Revenue and Net Gains**

Net loss on disposal of plant and equipment	2,734	67,561
Net gain on disposal of investments	-	-



2007
\$

2006
\$

Note 4: REMUNERATION AND RETIREMENT BENEFITS

a. Remuneration of Directors

Remuneration received or receivable by all directors of VECCI:

– or any related party in connection with the management of VECCI 377,860 343,278

Number of directors whose income was within the following bands:

	No	No
\$0 – 9,999	1	1
\$10,000 – 19,999	6	6
\$20,000 – 29,999	1	-
\$30,000 - \$39,999	1	1
\$250,000 – 259,999	-	-
\$300,000 – 309,999	1	1

The names of directors who have held office during the financial year:

- Mr Richard Holyman (First Appointed – 28.03.00)
- Mr Peter McMullin (First Appointed – 22.11.05)
- Mr Kevin Brown (First Appointed – 27.05.03)
- Mr Jeremy Johnson (First Appointed – 30.07.02)
- Mr Tony Robinson (First Appointed – 26.08.03) (Resigned 27.07.06)
- Mr Peter O’Brien (Immediate Past President) (First Appointed – 16.12.99)
- Mr Patrick Leggett (First Appointed 27.07.04)
- Mr Neil Coulson (First Appointed 11.8.01) (CEO) (Resigned 28.8.07)
- Ms Wendy Swift (First Appointed 07.06.05)
- Mr Ian Bird (First Appointed 05.09.06)
- Mr Paul Duckett (First Appointed 21.11.06) (Resigned 08.06.07)

b. Retirement Benefits

Amounts paid to a superannuation plan for the provision of retirement benefits by VECCI or any related party for directors of VECCI 46,478 93,817

Note 5: CASH AND CASH EQUIVALENTS

Cash at bank 3,972,064 1,897,006

Cash at bank includes \$1,433,723 (2006 \$664,482) of Carnet deposits held in trust.

**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**
continued

	2007 \$	2006 \$
Note 6: TRADE AND OTHER RECEIVABLES		
Trade debtors	2,525,946	2,030,273
Less: Provision for impairment of receivables	(321,225)	(259,353)
	<u>2,204,721</u>	<u>1,770,920</u>
Other receivables	701,975	676,125
Other related parties 6 a)	481,185	203,758
Total Receivables	<u>3,387,881</u>	<u>2,650,803</u>

a. Wholly-owned subsidiaries

Unsecured interest-free loans made to related entities.

Note 7: FINANCIAL ASSETS AT FAIR VALUE

Current

Short term deposits	5,114,074	3,046,119
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Non-Current

Shares in wholly owned subsidiary companies (non-operating) at cost	120	100
Shares in listed corporations — at cost	1,514,817	1,514,817
Non listed marketable securities	2,134,807	3,339,893
Managed Investments	35,808,382	30,524,707
	<u>39,458,126</u>	<u>35,379,517</u>

Total Investments	<u>44,572,200</u>	<u>38,425,636</u>
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Market value of shares in listed corporations	1,524,468	1,531,457
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Note 8: INTANGIBLES

Software – at cost	202,744	211,967
Accumulated amortisation	(101,728)	(67,505)
	<u>101,016</u>	<u>144,462</u>

	2007 \$	2007 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at directors' valuation (30 June 2006)	-	1,157,768
Freehold land at independent valuation (30 June 2007)	1,248,000	-
	<u>1,248,000</u>	<u>1,157,768</u>
Buildings at directors' valuation (30 June 2006)	-	16,842,232
Buildings at independent valuation (30 June 2007)	18,252,000	-
Accumulated depreciation	-	-
	<u>18,252,000</u>	<u>16,842,232</u>
Total Land and Buildings	<u>19,500,000</u>	<u>18,000,000</u>
Plant and equipment at cost	3,270,856	3,117,550
Accumulated depreciation	(2,558,358)	(2,091,296)
Total Plant and Equipment	<u>712,498</u>	<u>1,026,254</u>
Total Property, Plant and Equipment	<u>20,212,498</u>	<u>19,026,254</u>

Valuation Basis

The valuation basis of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2006 revaluation was made by the directors and the 2007 revaluation was based on independent assessments by a Certified Practising Valuer. The revaluation surplus was credited to the revaluation reserve.

a. Movements in Carrying Amounts 2007

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

	<i>Freehold Land</i> \$	<i>Buildings</i> \$	<i>Plant and Equipment</i> \$	<i>Total</i> \$
Balance at the beginning of year	1,157,768	16,842,232	1,026,254	19,026,254
Additions	-	440,999	175,145	616,144
(Disposals)	-	-	(21,842)	(21,842)
Increment on revaluation	90,232	1,432,278	-	1,522,510
Depreciation (expense)	-	(463,509)	(495,397)	(958,906)
Depreciation write back	-	-	28,338	28,338
Carrying amount at the end of year	<u>1,248,000</u>	<u>18,252,000</u>	<u>712,498</u>	<u>20,212,498</u>

**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**
continued

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONT.)

b. Movement in Carrying Amount 2006

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the 2006 financial year

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of year	1,100,000	14,914,195	1,251,454	17,265,649
Additions	-	129,475	726,249	855,724
(Disposals)	-	(19,515)	(421,524)	(441,039)
Depreciation (expense)	57,768	440,777	-	498,545
Depreciation (expense)/write-back	-	1,377,300	(529,925)	847,375
Carrying amount at the end of year	<u>1,157,768</u>	<u>16,842,232</u>	<u>1,026,254</u>	<u>19,026,254</u>

Note 10: Trade and other PAYABLES

	2007 \$	2006 \$
Current		
Trade payables	1,021,579	946,137
Sundry payables	3,038,112	2,024,644
Carnet deposits held in trust	1,433,723	664,482
Total Payables	<u>5,493,414</u>	<u>3,635,263</u>

Note 11: PROVISIONS

Employee benefits include office bearer and non-bearer entitlements within the provision for annual and long service leave.

Current

Annual Leave	757,750	650,905
Long Service Leave	241,995	203,699
	<u>999,745</u>	<u>854,604</u>

Non-Current

Long Service Leave	281,624	324,719
Staff Scholarship	64,789	64,789
	<u>346,413</u>	<u>389,508</u>

a. Aggregate employee entitlement liability	<u>1,281,322</u>	<u>1,179,322</u>
b. Number of employees at year end full-time equivalents	208	194
c. Provisions		
Carrying amount at beginning of period	1,244,112	1,305,217
Additional provisions recognised during the period	381,893	736,097
Payments of provisions during the period	279,847	797,202
Carrying amount at reporting date	<u>1,346,158</u>	<u>1,244,112</u>

Note 12: RESERVES AND RETAINED PROFITS

a) Reserves

Asset revaluation reserve	3,797,942	2,275,433
Movements:		
Balance at 1 July 06	2,275,433	-
Revaluation as at 30 June	1,522,509	2,275,433
Balance at 30 June	3,797,942	2,275,433

b) Retained profits

Retained profits at the beginning of the financial year	54,989,353	49,965,445
Net profit attributable to members of VECCI	6,618,792	5,023,908
Retained profits at the end of the financial year	61,608,145	54,989,353

c) Nature and purpose of reserves - Property, plant and equipment revaluation reserve
The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Note 13: CAPITAL AND LEASING COMMITMENTS

	2007	2006
	\$	\$
a. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable		
— not later than 1 year	975,512	1,071,523
— later than 1 year but not later than 5 years	675,864	1,007,671
	<u>1,651,376</u>	<u>2,079,194</u>

Leases consist of:

- non-cancellable leases for motor vehicles with a 3 year term, with rentals payable monthly in advance;
- leases for properties between 12 and 24 month terms. Rentals are payable monthly in advance; and
- leases for office equipment with a four year term, with rental payable monthly in advance.

b. Operating Lease Receivables

Leasing Arrangements

Approximately 35% of the property at 486 Albert Street is leased to tenants under 1 to 3 year operating leases with rentals payable monthly in advance. Minimum lease payments under non-cancellable operating leases of investment properties not recognized in the financial statements are receivable as follows:

	2007	2006
	\$	\$
— not later than 1 year	707,913	651,162
— later than 1 year but not later than 5 years	1,475,375	2,145,913
	<u>2,183,288</u>	<u>2,797,075</u>

**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2007**
continued

Note 14: 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.

2007

During the financial year VECCI paid \$12,004 to Australian National Couriers in respect of services rendered for courier services. Payments made throughout the financial period were made on an arms length commercial basis. Pat Leggett is the Managing Director of Australian National Couriers and serves on the VECCI Board of Directors and is a member of the Executive Council.

During the financial year VECCI paid \$194,520 to OAMPS Insurance in respect of services rendered for Insurance Brokerage Services and premiums. Payments made throughout the financial period were made on an arms length commercial basis. For part of the year Tony Robinson was the Chief Executive Officer of OAMPS and was a member of the Executive Council, resigning as of 27 July 2006.

2006

During the financial year VECCI paid \$11,404 to Australian National Couriers in respect of services rendered for courier services. Payments made throughout the financial period were made on an arms length commercial basis. Pat Leggett is the Managing Director of Australian National Couriers and serves on the VECCI Board of Directors and is a member of the Executive Council.

During the financial year VECCI paid \$169,003 to OAMPS Insurance in respect of services rendered for Insurance Brokerage Services and premiums. Payments made throughout the financial period were made on an arms length commercial basis. Tony Robinson is the Chief Executive Officer of OAMPS and is a member of the Executive Council.

Note 15: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	3,972,064	1,897,006
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b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit from ordinary activities after income tax	6,618,792	5,023,908
Non-cash flows in profit from ordinary activities:		
— Depreciation and Amortisation	993,190	1,319,175
— Net loss on disposal of plant and equipment	-	67,561
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
Decrease/(Increase) in receivables and prepayments	(796,978)	(79,862)
(Decrease)/Increase in payables	1,918,152	(222,550)
(Decrease)/Increase in provisions	102,046	(61,105)
Cash flows from operations	<u>8,835,202</u>	<u>6,047,127</u>

Note 16: FINANCIAL INSTRUMENTS

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets										
Cash	2.03	3.23	-	-	3,972,064	1,897,006	-	-	3,972,064	1,897,006
Bank Deposits	6.79	5.77	-	-	5,114,074	3,046,119	-	-	5,114,074	3,046,119
Other financial assets – investments			3,649,744	4,854,810	-	-	35,808,382	30,524,707	39,458,126	35,379,517
Receivables			-	-	-	-	3,387,881	2,650,803	3,387,881	2,650,803
Total Financial Assets			3,649,744	4,854,810	9,086,138	4,943,125	39,196,263	33,175,510	51,932,145	42,973,445
Financial Liabilities										
Trade and other creditors			-	-	-	-	5,553,415	3,635,263	5,553,415	3,635,263
Total Financial Liabilities			-	-	-	-	5,553,415	3,635,263	5,553,415	3,635,263

The weighted average rate of interest has been calculated using the applicable interest rates and balances at the beginning and the end of the financial year.

a. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

b. Interest Rate Risk

The exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

c. Market Risk

The maximum exposure to market risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market price of the financial instruments, amounts to the value of the financial instrument as disclosed in the Balance Sheet.

d. Credit Risk

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

VECCI does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by VECCI.

Note 17: EVENTS AFTER BALANCE DATE

There are no material known events subsequent to the reporting date that are required to be disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

continued

Note 18: SEGMENT INFORMATION

VECCI operates predominantly in one industry segment in Victoria, being to assist and represent its members.

Note 19: ASSOCIATION DETAILS

The registered office and principal place of business of VECCI is:

Victorian Employers' Chamber of Commerce and Industry (VECCI)
486 Albert Street
EAST MELBOURNE VIC 3002

The principal activity of the association is an employer association.

Note 20: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New standards and interpretations issued but not yet effective

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 7	Financial Instruments: Disclosures	New standard – replaces disclosure requirements of AASB 132	1 January 2007	Disclosures only
AASB 2005-10	Amendments to Australian Accounting Standards arising from AASB 7	Amends AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, AASB 1038 as a result of issue of AASB 7	1 January 2007	Disclosures only
AASB 101	Presentation of Financial Statements	Revised standard	1 January 2007	Disclosures only
AASB 8	Operating Segments	New standard – replaces AASB 114	1 January 2009	Disclosures only
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments	Amends AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038	1 July 2007	Disclosures only
AASB 2007-7	Amendments to Australian Accounting Standards	Further amends AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128 as a result of issue of AASB 2007-4	1 July 2007	Disclosures only

BOARD OF DIRECTORS STATEMENT

On 26 September 2007 the Board of Directors of the VECCI passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2007.

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

- (a) The financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) The financial statements and notes give a true and fair view of the income statement, balance sheet 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 general purpose financial report relates and since the end of that year:
 - i. Meetings of the board of directors were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - ii. The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - iii. The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - iv. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
 - v. The information sought in any request of a member of the reporting unit or a Registrar of the RAO Schedule has been furnished to the member or Registrar. VECCI have complied with Section 272 - information to be provided to members or Registrar, including subsection:
 - (1) a member of a reporting unit, or a Registrar, 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).

For Board of Directors:

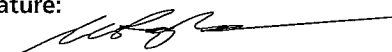
Name:
Wayne Kayler-Thomson

Title of Office held:
Chief Executive Officer/Secretary

Name:
Richard Holyman

Title of Office held:
President

Signature:



Date:
27 September 2007

Signature:



Date:
27 September 2007

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE VICTORIAN EMPLOYERS' CHAMBER OF COMMERCE AND INDUSTRY

Report on the Financial Report

We have audited the accompanying financial report of the Victorian Employers' Chamber of Commerce and Industry (VECCI) which comprises the balance sheet as at 30 June 2007 and the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Report

The directors of VECCI are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 the independence requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

The financial report of VECCI in accordance with the Workplace Relations Act 1996 including:

- i. giving a true and fair view of VECCI's financial position as at 30 June 2007 and its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the RAO Schedule.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

K C Wood

K C WOOD
Partner

28 September, 2007
Melbourne

2006/2007 ANNUAL FINANCIAL REPORT



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