

AustChamThailand

Business | Connections | Community

ANNUAL REPORT 2017

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AustChamThailand

Business | Connections | Community

Vision	Business, Connections, Community
Mission	AustCham will continue to build and strengthen relationships and effectively advocate and represent the mutual business interests of its members and associated communities
Identity	Inclusive Responsive Collaborative Respected

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President's Report



Brenton Mauriello - President

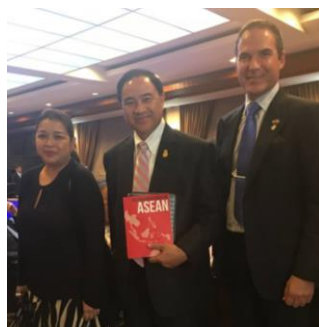
Members and friends of AustCham, we start our 2017 review by first acknowledging the end of the mourning period for the late king, His Majesty King Bhumibol Adulyadej. The King's passing in 2016 sent a wave of despair across the nation as we mourned the loss of the country's father. In October 2017, we said our final goodbyes in a stirring display of Thai pomp and ceremony, the grandeur of which fully befitted him. Our chamber continues to offer our respect and gratitude for the late King's contributions during his 70 year reign.

For the business community, 2017 was another year of challenges and opportunities in Thailand. With a relatively stable political and economic environment, our members report reasonable business progress, albeit with growth and profits at less than inspiring levels. According to our latest member survey, the main challenges are human resources, corruption and governance as ongoing administrative hurdles to business.

Your chamber continues to apply itself to these and other challenges so as to ensure that, as members, you receive tangible benefits from your membership. The chamber's advocacy committee efforts, along with the work of individual Directors, increased significantly during 2017. Survey submissions, forums, round tables, direct ministry engagement, policy papers and personal one-on-one engagement were deployed by your chamber to bring about positive change.

Highlights of your chamber's engagement with Thai government agencies include the launch of the Customs Alliance Programme with the Thai Customs Department and Australian Border Force, the Hospitality forum and survey submission with H.E. Ms. Kobkarn Wattanavrangkul, Minister of Tourism and Sports, and our engagement with the winner of the Australian Alumni of the Year Award, H.E. H.E. Dr. Pichet Durongkaveroj, Minister of the Digital Economy and Society.

The chamber also continues its work with the Thai Board of Trade (BoT) and the Thai Chamber of Commerce. Direct representation at BoT board meetings, a presentation to AustCham members by Khun Kalin Sarasin, the newly elected Chairman of the BoT and the Thai Chamber of Commerce, and the submission of the AustCham ASEAN business survey underpinned our efforts to ensure that our collective voice is heard at the Board of Trade and the Thai Chamber of Commerce. Your Chamber continues this engagement as we believe it critical to bringing about change in areas such as visa requirements, the regulatory environment, and customs policy and procedures.



Our business advocacy efforts are strengthened by the strong support we receive from the Australian Embassy in Thailand. Austrade, along with other Australian government departments, continues to work with AustCham on business initiatives as well as community projects where we seek increased engagement with the Thai and Australian communities.

The establishment of the collaborative partnership where AustCham, the Australian Alumni and the Australian Embassy collectively support key events and programmes is one such initiative. It has brought about positive recognition

to the contribution that Thais educated in Australia and Australians have made, and continue to make, to Thailand.


Further, Embassy-supported visits by senior Australian dignitaries such as, The Honourable Julie Bishop, Australian Foreign Minister, HE Jane Duke, Ambassador of Australia to ASEAN, HE Tobias Feakin, Ambassador of Australia on Cyber Affairs, as well as senior Ministerial visits from the Victorian and South Australian State governments provided opportunities for our members to liaise and engage directly with key Australian representatives and policy makers.



The desire and willingness of the Embassy to broaden its engagement with AustCham and our members is greatly valued, as collectively our initiatives have greater impact. AustCham again extends its thanks the Embassy team and particularly the Australian Ambassador to the Kingdom of Thailand, HE Paul Robilliard.

In addition to business advocacy, your chamber continues to enhance and broaden networking opportunities for members. 2017 saw a significant increase in the number of forums and events hosted or co-hosted by your chamber and this was reflected in the number of attendees similarly increasing. Our monthly Sundowners remains our premier networking event. In addition, the Australian Alumni Awards, the Great Australian Bash, the AFL Grand Final, AustCham Golf Day, along with monthly forums, member presentations and specific events on the Eastern Seaboard, in Chiang Mai, and Phuket reflect a comprehensive and inclusive approach to networking opportunities.

As in my previous President's report, AustCham remains a not-for-profit and largely voluntary organisation. In our endeavours to increase our activities and impact we require the active support and engagement of our sponsors and members. Our sponsors, Australian, Thai and other multinational companies,



provided a valuable contribution to the monetary resources needed for your chamber to flourish. I would ask that AustCham members support those corporations that have contributed to the betterment of your chamber. It is by mutual support that we will continue to attract sponsorships and similar support in the coming years.

Or course it is also the individual contribution of time and effort by members and Directors that have underpinned the chamber: I wish to thank all of those who gave their time freely so that we can improve the business environment. For the chamber to become ever more effective we need your engagement, ideas and effort so, should you have an interest in a particular area, Alumni, advocacy, hospitality, or the Eastern Seaboard, for example, please contact us: you will be warmly welcomed by any of our committees.

Recognition must also be given to the AustCham team headed by our new Executive Director Brendan Cunningham. We are extremely pleased with the effectiveness and efficiency of our AustCham team. Their skills and capabilities continue to grow – and is reflected by the number of events provided, an increase in membership despite a difficult environment, and a strong financial result for the year.

In conclusion, your chamber is firmly focused on meeting its obligations to deliver benefits in each of the key areas of business, community and connections. 2017 was a successful year for the chamber, however we can always improve. With this in mind, we openly seek your engagement and contribution to the chamber. If we are to have a positive impact in Thailand it is through collective engagement where 'Brand Australia' punches above its economic and political weight. So if you can recommend AustCham to any companies or individuals it would be greatly appreciated. Together we will make a difference!

March 2018

Treasurer's Report



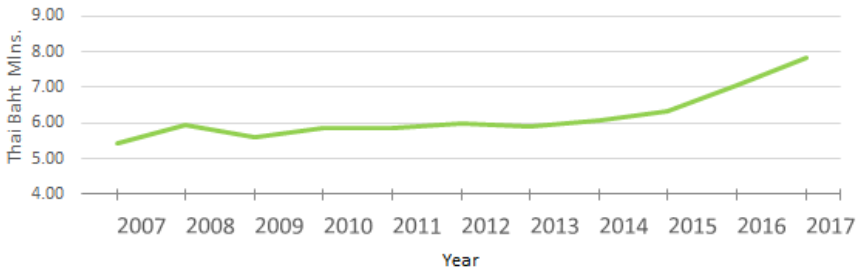
Peter Emblin - Treasurer

It is my honour to again introduce to AustCham members their Chamber's financial report, this time for the year 2017. Before I deliver my report as Treasurer I would like to thank the Chamber's staff for their support, and their diligence in protecting members' interests and delivering financial stability. Also, I would like to thank all members for their faith in me as their Treasurer.

At the end of 2016 when preparing the 2017 Budget the Board took a cautious approach to the Chamber's finances as we were well aware that many members were facing tough business conditions. As such we forecasted little growth in revenue, and budgeted to run a small deficit whilst keeping up the Chamber's events programme. Membership fees were not increased and, where possible event prices held. We also took into account that the mourning period for King Rama IX would be continuing throughout much of the year and would have an impact on our events

Nonetheless, through prudent management, the Chamber was able to grow Members' Equity to 7.85M THB in 2017, compared to 7.04M THB in 2016. Members' equity is held as fixed deposits of approx. 3.6M THB to fund the Chamber's day to day operations and 4.20M THB is held in deposits with financial institutions as working capital.

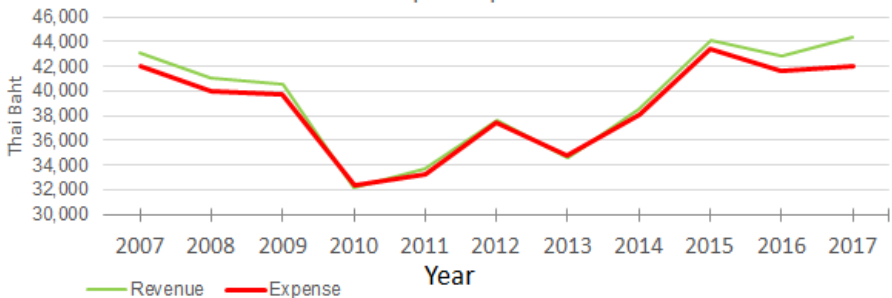
Members Equity - THB mil.



In terms of financial performance it was a year of two clear halves. The first half of the year was tough starting with the Australia Day Ball not meeting its targets and a slow decline in membership. However, with the appointment of the Chamber's new Executive Director, Brendan Cunningham, and a strategic review of the Chamber's operations. A new approach was taken and this has borne clear results in the second half. Brendan and the team reversed the membership trend and were able to deliver events successfully, from member and financial perspective.

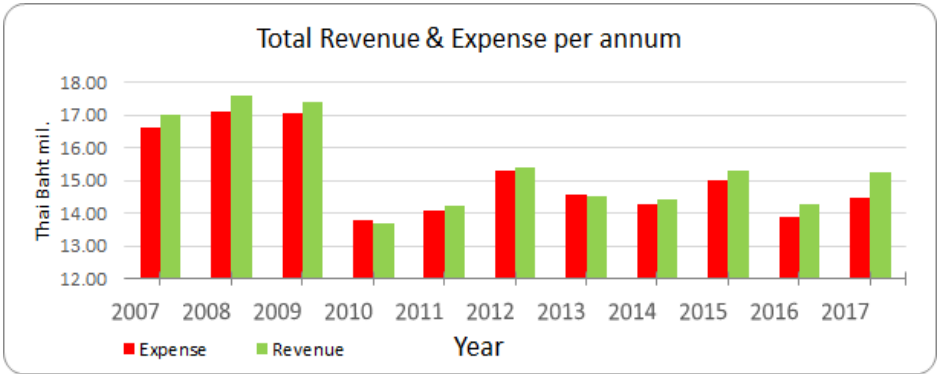
The Chamber's biggest cost other than events is salaries and these were reduced by 7.8% while at the same bringing in a number of new staff members to focus on member support activities.

Revenue & Expense per member



The audited Financial Statements for 2017 show an operating surplus of 810,581THB, significantly above our forecast deficit of 595,000. The bulk of this turnaround was by the cost control discipline of the office and effective use of sponsorship monies.

Total Assets grew from 9.0M THB to 10.2M THB as result of the 810,581THB surplus, members taking advantage of the early renewal incentive, and

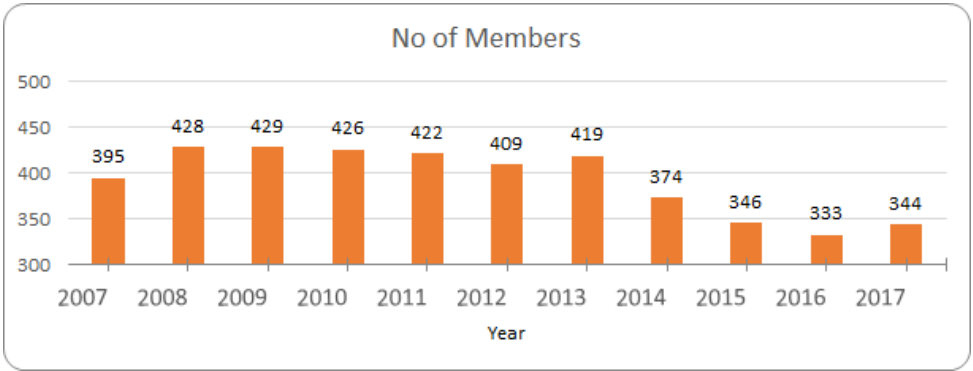


prepayments received for January events such as the Australia Day Bash and the Tri-nations BBQ and Braai. The first quarter is usually a tight cash flow period for the Chamber ahead of the bulk of member renewals in April so it is reassuring to have a strong cash balance.

Membership revenue was 3.7 percent below budget primarily due to the introduction of new ways to attract members such as Corporate and Individual growth Area memberships, Multi Business discounts, Young Alumni, a referral plan and an early renewal programme to attract member renewals.

The number of members at year end 2017 was 344, versus 333 in 2016. At the same time, through a focus on cost control costs per member increased by less than 1% but revenue on a similar basis rose 3.5%. It would also be timely to note that membership fees have not increased since 2013. Similarly, Sundowners entry price was last increased in 2013 by 50 THB which is taken directly into the Chamber’s CSR account and not to help offset costs.

Total Revenue is split 39% from membership and registration fees, 42% from events and 19% from sponsorship.



In 2017, as the President mentioned, the Chamber’s active event programme continued. Event income rose 11.2% but costs rose 14% meaning the net margin on events declined from 5% to 2.65%. It has always been the Chamber’s aim to offer high quality events to members at fair prices and this was done again last year without raising prices, despite an increase in costs. Part of the increased cost of events is attributed to an increase in benefits provided to attract sponsors. For example in prior years, sponsors did not receive tickets to Christmas Sundowners in their package; in 2017 this was included. So Christmas Sundowners revenue is lower and its cost higher.

Sponsors are pivotal to the Chamber and we urge you continue to support them.

On behalf of the Board I would like to thank all the Chamber members for their support and engagement whether as an ordinary member, a sponsor or as a participant in an event. I believe that the Chamber’s financial condition is strong, its governance process is strong and that members’ interests are well managed, and that this Treasurer’s report and associated Financial statements truly reflect the financial position of the Australian-Thai Chamber of Commerce.

March 2018

Audited Financials

Australian-Thai Chamber of Commerce

Statement of Financial Position as at December 31, 2017 (all figures in Thai Baht)

ASSETS

CURRENT ASSETS	2017	2016
Cash and cash equivalents	5,640,121	3,978,598
Short-term investments at Financial Institutions	3,500,000	3,603,168
Accounts receivable	42,000	-
Other current assets	186,002	395,869
Total Current Assets	9,368,123	7,977,635
NON-CURRENT ASSETS	2017	2016
Leasehold improvements and equipment-net	620,207	766,289
Intangible assets –net	623	4,759
Other deposits	252,446	252,446
Total Non-Current Assets	873,276	1,023,494
TOTAL ASSETS	<u>10,241,399</u>	<u>9,001,129</u>

LIABILITIES AND MEMBER EQUITY

CURRENT LIABILITIES	2017	2016
Deferred membership fees and other income	372,016	284,966
Accrued expenses	357,777	627,803
Hellfire Pass Fund	142,869	90,135
Community Project Fund	312,261	88,715
Convoy Project fund	973,050	647,577
Total Current Liabilities	2,157,973	1,739,196

NON-CURRENT LIABILITY	2017	2016
Provision for employee retirement benefit	229,646	218,734
TOTAL LIABILITIES	2,387,619	1,957,930
MEMBER EQUITY	2017	2016
Balance at beginning of year	7,043,199	6,332,277
Operating surplus	<u>810,581</u>	<u>710,922</u>
Balance at end of year	7,853,780	7,043,199
TOTAL LIABILITIES AND MEMBER EQUITY	<u>10,241,399</u>	<u>9,001,129</u>

Australian-Thai Chamber of Commerce

Statement of Revenue and Expenses for the year ended December 31, 2017

REVENUES	2017	2016
Membership and registration fees	5,870,495	5,621,379
Event income	6,456,547	5,804,431
Sponsorship income	2,875,000	2,925,000
Interest income	66,599	59,198
Other income	4,579	170,070
Total Revenues	15,273,220	14,580,078

EXPENSES	2017	2016
Cost of events	6,285,791	5,500,700
Staff salaries and benefits	5,479,958	5,928,216
Rental and service fees	986,995	973,728
Depreciation and amortization	244,688	114,820
Other expenses	1,465,227	1,351,692
Total Expenses	14,462,639	13,869,156
OPERATING SURPLUS	<u>810,581</u>	<u>710,922</u>

2017-2018 Board of Directors



Brenton Mauriello
President



Wayne Williams
Vice President



M.L. Laksasubha Kridakon
Vice President



Charles Wrightman
Vice President



Peter Emblin
Treasurer



Stuart Kelly



Angus Kent



Chris Larkin



Alan Polivnick



Carly Cummings



Benjamin Krieg



Apiradee Bunyalekha

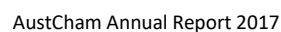


Susan Kahwati
Ex-Officio Officer

AustCham Committees 2017

Membership	Brenton Mauriello, Charles Wrightman, M.L. Laksasubha Kridakon, Benjamin Krieg
Sponsorship	Brenton Mauriello, Charles Wrightman, Peter Emblin
Communications	Stuart Kelly, David Norcross, Rob Hall, James Iles
Australian Alumni	Brenton Mauriello, Carly Cummings, M.L. Laksasubha Kridakon, Apiradee Bunyalekha
CSR	Alan Polivnick, Stuart Kelly
Chamber Governance / Legal	Alan Polivnick
Advocacy	Chris Larkin, Alan Polivnick, Peter Emblin, Angus Kent
Hospitality and Tourism	Wayne Williams, Alan Polivnick, M.L. Laksasubha Kridakon, Benjamin Krieg, Peter Lucas
Digital, IT & Innovation	Stuart Kelly, Carly Cummings, Dwight Willis
Education	Apiradee Bunyalekha
Manufacturing	Chris Larkin and Trevor Dick (ESB Coordinator)
Professional Services & Consulting	Alan Polivnick, Angus Kent, Peter Emblin
Major Events	
i. AustCham Ball	Wayne Williams, Carly Cummings, David Trigg
ii. AFL Grand Final	Wayne Williams, Jarrod Roberts
iii. AustCham Golf	Charles Wrightman, Wayne Williams

AustCham thanks the 2017 Corporate Sponsors whose support was fundamental to the numerous events and activities conducted by the Chamber.



Business Briefings and Luncheons

In 2017, the following business luncheons were held by AustCham Thailand.

Keynote speakers for AustCham luncheons:



Khun Kalin Sarasin,
Chairman of the Board of
Trade of Thailand and the
Thai Chamber of Commerce



H.E. Dr. Pichet
Durongkaveroj, Minister
of Digital Economy and
Society



H.E. Ms. Kobkarn
Wattanavrangkul, Minister
of Tourism and Sports

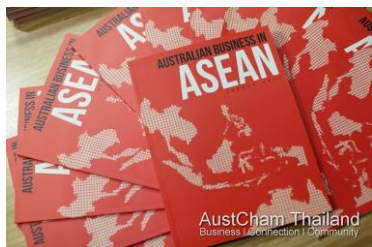
Various business and member briefings were held during 2017 including updates on the new Customs Alliance, doing business in Myanmar, unlocking ASEAN business opportunities, setting up a business in Thailand, culture communication in Thailand, visas for Australia, tax updates for Australians, hospitality and tourism discussion and the Hotel Management Summit.

Australian Government connections

AustCham Thailand, in collaboration with the Australian Embassy Bangkok, organized an AustCham forum with Australian Ambassador for Cyber Affairs, Dr Tobias Feakin, who shared with us crucial knowledge as to what extent businesses need to prepare to exploit the opportunities offered from a digitalised economy.



2017 AustCham ASEAN Business Survey



AustCham Thailand launched the 2017 AustCham ASEAN Business Survey at the Australian Embassy Bangkok on 14 September 2017. The event featured a presentation of the business survey results by AustCham Thailand's President, Mr. Brenton Mauriello; followed by a panel discussion with the Australian Ambassador to ASEAN, Ms. Jane Duke, CFO &

VP Business Development of NS BlueScope Thailand, Myanmar & Laos, Mr. Sam McMahon, and CEO of PKF Thailand, Mr. Andrew McBean.

With an audience of about 100 prominent representatives from the Australian-Thai business community, Brenton presented the findings of the survey, highlighting key points affecting the region and the impact on businesses in Thailand. He provided a positive outlook for ASEAN, with more than 60% of companies recording more profitable earnings in 2016. However, respondents raised continued concerns on factors restricting business growth, such as political stability, government bureaucracy and corruption.

When looking at Thailand, the main challenge for businesses continues to be access to skilled labour, with a lack of vocational skills training attributed to the shortfall. Further insights from the panel discussion revealed the need for Australian businesses to better understand the investment opportunities available in ASEAN.



AustCham Connections

2017 provided plenty of opportunities to network and update industry knowledge through our Bangkok, Eastern Seaboard, Phuket and Joint Chamber events. Once again, our monthly Sundowners proved to be the premier evening networking event in Thailand, with members and guests coming together to discuss business and social issues, while enjoying the delights of Thailand's finest hotels. These events were made possible by venue sponsors – Mode Sathorn, Grand Hyatt Erawan, Courtyard by Marriott South Pattaya, SO Sofitel Bangkok, Banyan Tree Hotel Bangkok, Pullman Bangkok Grande Sukhumvit, Anantara Siam Bangkok, Avani Pattaya Resort & Spa, Novotel Bangkok Sukhumvit 20, Oriental Residences Bangkok, Phuket Boat Lagoon, The Westin Grande Sukhumvit, Anantara Sathorn Bangkok, and Amari Watergate Hotel.



Eastern Seaboard events were held monthly throughout the year in partnership with other chambers, with AustCham hosting in March and July. Boardroom briefings were also held to provide updates and discussion points on key relevant issues. In 2017, **the Chamber presented Trevor Dick with the President's Award** for his continued service as Austcham's Eastern Seaboard Coordinator.



Phuket events were held in March and September, with a panel discussion on the Marine and Tourism industries the highlight of the 2017 calendar. Followed by a Sundowners at Phuket Boat Lagoon, this will likely become an annual event.



AustCham Community

Corporate Social Responsibility (CSR)

AustCham is proud to have provided assistance to charitable projects again in 2017. At the AustCham Ball, we raised 162,210THB, and a further 128,500THB at the AFL Grand Final event, for the causes selected by our members. Additionally, fundraising continued through our 50THB allocation from each entry ticket to our monthly Sundowners.

In total, AustCham members helped the Chamber CSR program to raise 353,000 THB.

The following five causes were supported from the monies raised:

❖ Sister Joan Foundation	70,000 THB
❖ Operation Smile	70,000 THB
❖ The Mechai Pattana School	70,000 THB
❖ Mercy Centre	70,000 THB
❖ Born to Live	70,000 THB

A further 16,807 baht was donated to ‘Born to Live’ from the sale of the Thai-Australian flag pins at events.

Community Events



ANZAC Day 2017. The annual trip to Kanchanaburi for ANZAC Day was again a truly special event. Those on the tour were able to pay their respects to the men and women in our armed services by attending the Dawn Service at Hellfire Pass and the Memorial Wreath Laying Service at Kanchanaburi War Cemetery.

AFL. The Virgin Active AFL Grand Final event was a huge success with over 500 people attending. Held once again in partnership with the Thailand Tigers Australian Football Club, it was a great family day with wonderful food and activities provided by our sponsors and the Amari Watergate Hotel. Other sponsors included: The Coffee Club, AirAsia, Rugby School Thailand; event supporters: Raja's Fashions, Lady Pie Phuket, and Heineken.



AustCham Ball. The Coffee Club Australia Ball celebrated the 40th anniversary of AustCham by turning back time from 2017 to 70s era - the time when Star Wars first premiered and Bee Gees became famous from Saturday Night Fever. We brought celebrities to this event such as Jimmy Barnes, Olivia Newton-John, Angus Young and many more! Also thanks to Qantas, The Barbecue Store Thailand, and F45 Training.



AustCham Golf. The Duchess Hotel Austcham Golf Day was held at Muang Kaew Golf Club on Friday 10 November, 2017. Perfect conditions made for a great day's golf. With over 120 players, all the participants had a superb day out followed by an Aussie BBQ dinner and prize distribution.



The Australian Alumni Awards



Held annually in June, the Awards continue to provide an opportunity to recognise and celebrate the significant achievements of alumni whose endeavours reflect the best of Australian education and Australian Alumni.

H.E. Mr Paul Robilliard, Australian Ambassador to Thailand, addressed guests, highlighting the Australian Government's commitment to fostering strong educational connections between Australia and Thailand through both the Global Alumni program and the New Colombo Plan.

Keynote speaker, Dr. Linchong Chorrojprasert, Dean of the Graduate School of English at Assumption University, also addressed guests, providing a heartfelt reflection of her experiences of living and studying in Australia and how those experiences had contributed to her career success in Thailand.

The 2017 Alumni Awards recognised the achievements of four Alumni across five award categories.

The Award Recipients for 2017 were:

1. Australian Embassy Bangkok - Alumni of the Year

His Excellency Dr. Pichet Durongkaveroj; Minister of the Digital Economy and Society for the Royal Thai Government; Alumnus from University of New South Wales.



2. Blackmores Thailand - Alumni Leadership Award

Dr. Phudit Tejavivaddhana; Acting Director of College of Health Systems Management and Assistant President for Comprehensive Operations, Naresuan University; Alumnus from University of New England.



3. dwp - Alumni Entrepreneurial Award

Mr. Harprem Doowa; Managing Director and Co-Founder of Frank.co.th; Alumnus from Monash University.



4. AustCham Thailand - Young Alumni Award

Mr. Phantabat Santimakorn; Director of Bangkok Ventures Co., Ltd; Alumnus from RMIT University.



5. AustCham Thailand - Alumni Community Engagement Award

Ms. Sirivimol Kitaphanich; Owner of Rai Ruen Rom Organic Farm, Chiang Mai; Alumnus from University of Melbourne.



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