



Australian Thai Chamber of Commerce
2014 Annual Report





AustChamThailand

Business | Connections | Community

- | | |
|----------|---|
| Vision | AustCham is 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



AustCham members and friends.

It seems that every year brings with it another turn of events to ensure our life in Thailand is never dull. We all know that the 22nd May marked the twelfth coup in Thailand by its Armed Forces; this one of course followed a long and destabilising period of protests. Needless to say none of this has been good for business.

These Thailand based events have occurred against a background of sluggish global growth, developing deflation and a currency war that to date has put Thailand at a disadvantage. The world has added some \$57 trillion in debt, 17% GDP points since the 2007 GFC which further burdens the world's ability to grow. At the same time we are living in a period of amazing technological developments and it is these developments that will help us find a way out of this mess; not Government largeness which help put us there in the first place.

This situation of major change sets up considerable risks and opportunities for business, which in turn makes managing even the more challenging.

This leads us to the Question "What has your Chamber been doing, and what does it intend to do, to address these challenges"?

Firstly, keeping abreast of the considerable policy, legal and regulatory changes in Thailand is a daunting task. We continue to believe that most of these developments are intended to support business and will over time, however the short term uncertainty these changes generate is not helpful for business. We are working closely with other Chambers, The Thai Chamber of Commerce, the Thai Board of Trade, the Ministry of Commerce and the Board of Investment and will continue to contribute and monitor these developments accordingly.

As for Australian trade and investment into Thailand, 2014 was not a banner year. Investment was flat, although Thai investment into Australia is booming, and Trade continues to grow but at a slower rate. Hopfully the tenth anniversary of TAFTA will spark greater trade and investment interest from Australia. The opening of a major Australian Financial Institution in Thailand later in 2015 will certainly provide a major lift to trade and investment potential.

Notwithstanding a higher membership churn in 2014 the chambers financial position is very strong and generated a healthy surplus that allows the chamber to further invest in up skilling our office capability and advancing our infrastructure which ultimately adds greater value for members. Considerable progress was made this year in that regard. We believe the chamber's office capability and infrastructure is the strongest it's ever been and is well positioned to support the chambers ambitious goals for the coming years. Our most recent Executive Directors, Mark Carrol and Renee Bowman, have been instrumental in driving this outcome enabling the chamber to better service our members.

There is more to come including a new web site which will enable greater online functionality and effectiveness, which will be supported by an AustCham App.

Austcham has and will continue to be a very inclusive Chamber. Australia's interests are well blessed by our

strong people networks whether it be Senior Australian's working throughout the world in all types of industries and organisations, or with thousands of Thai Nationals that have studied in Australia. Embracing these networks is a key opportunity for Austcham members and over the last few years Austcham has implemented strategies to tackle this opportunity. We have worked very closely with Austrade and the Australian Embassy in Bangkok which resulted in being awarded a grant two years in a row. That grant is very much aimed at building and leveraging these networks noted above. Considerable progress has also been achieved with the Thai Australian Alumni network. This work is ongoing and will only strengthen our value proposition for members. A special thanks is extended to our Australian Ambassadors to Thailand; James Wise and Paul Robilliard who offer both their personal and official support for Austcham and these endeavours. The Australian effort in Thailand is better given your efforts and support.

The quantity and range of chamber events throughout 2014 has been considerable. It is a constant challenge to try and deliver events of relevance to all members who are spread far and wide throughout Thailand, Australia and other parts of the world. In 2014 we delivered over 80 events ranging from small breakfast briefings, luncheon presentations, networking events, gala dinners, and large scale social events and business conference. We are particularly pleased with the effectiveness of the Eastern Sea Board events which have been a priority throughout 2014 and will continue to gain momentum in 2015.

We need to keep building on the Chambers strong foundation by strengthening our governance through modifications to our constitution and the continual development of a Directors who can represent the diversity of our membership base. The current Board has met this goal and it has been a pleasure to work with them all. We have a few retiring Directors this year. Unfortunately Rananda Rich will not be standing for re-election as she has returned to Australia. Thank you Rananda for your considerable and effective contribution to Austcham. Warwick Kneale, who has been an effective Treasurer and board member for



many years, is also retiring. Thank you Warwick for your efforts and great support. David Armstrong, an advisor to the board, whose insights and counsel have been invaluable in recent years, is also stepping down. Thank you David for your outstanding contribution to Austcham.

The chamber has a lot to accomplish in 2015 in what will continue to be a challenging environment, however I believe that we are well placed to succeed in achieving even better outcomes. It is unfortunate that our Executive Director Renee Bowman is departing after one year at the helm due to unforeseen circumstances and a new Executive Director will be announced early in the new-year. Renee has been an outstanding ED and has made a contribution to the chamber well above what you would expect from one year of service.

Renee - many thanks - you will be missed.

Leigh Scott-Kemmis
President, AustCham Thailand

Treasurer's Report

Our 2014 financial strategy remained essentially the same as the past few years, namely to:

1. Maintain members equity at around the 6 MTHB level;
2. Invest in the transformation of the Chamber office into an efficient, modern and enduring knowledge-based capability; and
3. Reduce the Chamber's overall reliance on income from events, while still ensuring that key income-providing functions (mainly the Ball and AFL; and Sundowners) are profitable for both the Chamber and the charities they support.

The 2014, financial year again performed strongly, and we were able to achieve all 3 strategies above. Continued success needs constant focus on the key areas of membership, sponsors and events, along with achieving new income streams and cost efficiencies.

The audited Financial Statements for the 2014 year show a modest operating profit of 172,219 THB.

Members Equity grew to 6.087 MTHB in 2014, compared to 5.9 MTHB in 2013. This is a strong reserve base. It reflects the view of successive Boards that the Chamber should be able to cover core operating costs in the event of any sustained negative operating environment.

Revenue derived from annual corporate sponsorship grew to 1.492 MTHB in 2014. The price of sponsorship packages remained consistent from the previous year which represents very good value to sponsors, however we will need to keep an eye on the packages and inclusions to ensure they represent a sound financial return for the Chamber over the medium-term.

The support provided by sponsors – both financially and in other areas – cannot be underestimated. I and my fellow Board members would encourage everyone who benefits from AustCham to show their appreciation to sponsors, including by supporting their businesses wherever possible.

The Balance Sheet remained strong over the past year with total assets rising to 9 MTHB; an increase of 1.793 MTHB from the previous year. This includes committed cash funds of 1.038 MTHB to community services projects including Hellfire Pass fund, the Community Services fund and the Convoy for Kids fund.

We continued to see strong interest in membership generally and a renewed interest from companies with strong Australian associations. AustCham also remained arguably the best value Chamber membership in Thailand with a price significantly below our peers. Membership Income did fall year-on-year from 7.3 MTHB in 2013 to 6.3 MTHB in 2014. This is disappointing and reflects the effect of the economy & unrest. We believe this will improve in 2015 by the appointment of a dedicated membership manager.

While the Chamber is in a strong financial position there is no room for complacency. The Executive Director & Senior Management in conjunction with the Board have taken significant steps to reduce expenses wherever possible over the past 12 months, and the result of this cost cutting has been a profit of THB 172,219; the highest it has been in several years.

Ultimately, however, the Chamber continues to deliver an impressive range and extent of activities given its modest resources. As an institution representing businesses and business people with an interest in the Australia-Thai commercial relationship it represents great value-for-money and delivers a very strong return on investment.

Warwick Kneale
Treasurer

Audited Financials

Australian-Thai Chamber of Commerce

Statement of Financial Position as at December 31, 2014

ASSETS

CURRENT ASSETS	2014 THB	2013 THB
Cash and cash equivalents	4,047,672	2,388,011
Temporary investments	3,603,168	3,571,829
Accounts receivable	-	35,500
Other current assets	812,250	619,282
Total Current Assets	8,463,090	6,614,622
NON-CURRENT ASSETS		
Leasehold improvements and equipment NET	240,070	293,758
Intangible assets - net	70,912	149,258
Deposits	231,145	154,465
Total Non-Current Assets	542,127	597,481
TOTAL ASSETS	9,005,217	7,212,103

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES	2014 THB	2013 THB
Deferred membership fee income	430,625	506,285
Accrued expenses	531,283	266,469
Hellfire Pass Fund	89,753	24,753
Community Project Fund	218,556	258,859
Convoy Project Fund	729,691	50,175
Asian Business Engagement Plan	739,199	-
Total Current Liabilities	8,463,090	6,614,622
NON-CURRENT LIABILITIES		
Provision for employee retirement benefit	179,015	190,686
Total Liabilities	2,739,107	1,106,541
MEMBERS EQUITY		
Balance at beginning of year	5,914,876	5,979,554
Revenues earned over expenses	172,219	(64,678)
Balance at end of year	6,087,095	5,914,876
TOTAL LIABILITIES & MEMBERS EQUITY	9,005,217	7,212,103

Audited Financials

Australian-Thai Chamber of Commerce

Statement of revenue and expenses for the year ended December 31, 2014

REVENUES	2014 THB	2013 THB
Membership and registration fees	6,315,672	7,317,830
Social function income	6,387,694	5,598,535
Publication subscriptions	95,637	107,543
Sponsorship income	1,492,500	1,291,500
Interest income	139,912	64,343
Other income	3,000	130,968
Total Revenue	14,434,415	14,510,719
EXPENSES	2014 THB	2013 THB
Cost of social functions	5,423,359	4,588,303
Staff salaries and benefits	6,351,001	6,981,735
Rental and service fees	913,424	896,428
Depreciation and amortization	277,220	308,470
Other expenses	1,297,192	1,800,461
Total Expenses	14,262,196	14,575,397
Revenues Earned Over Expenses	172,219	(64,678)
(Expenses Over Revenues Earned)		

AustCham Board of Directors



Back row from left to right:

Simon Shale, Shane Burt, Leigh Scott-Kemmis (President), Angus Kent, Alan Polivnick, Josh Hyland

Front row from left to right:

Wayne Williams, Sam McMahon (Vice President), M.L. Laksasubha Kridakon (Vice President), Rananda Rich, Charles Wrightman, Warwick Kneale (Treasurer)

President's Award



One of the privileges of being AustCham President is to present the annual President's award.

The award is to recognise contributions to AustCham that go beyond that which is required or expected. This year the award went to one of our past Directors who served for six years, including as a Vice President, Belinda Skinner.

People become directors for all sorts of reasons ranging from their own personal or company needs, to concern about specific issues, or to just wanting to make a contribution. Belinda certainly made a contribution as her only concern was the effectiveness of the Chamber. AustCham has a reputation for the effectiveness and quality of its communications and its presentation in general. Belinda lead this effort for many years with passion and a skill rarely seen. Thank you Belinda for this lasting legacy. You were a role model for being an AustCham Director through your commitment and your respect to all others.

AustCham Team



It has again been a busy year for the AustCham team, ensuring that the 80 plus events that were held during 2014 ran smoothly with professionalism and a friendly smile. We welcomed some new faces for 2015 and to those who moved on, we thank them for their valued contribution.

Thank you to our 2014 Sponsors



Asian Business Engagement Plan

Australia building links with Asia

Over the past 50 years, Australia's trade with Asia has risen dramatically. The tyranny of distance has diminished and we are now in the right place to build business opportunities and strengthen relationships with the world's largest middle class. Responding to this global change, the Australian Government created the Asian Business Engagement (ABE) Plan.

The objective of the plan is to assist member-based business organisations, and through them, small and medium-sized enterprises, to harness the opportunities emerging in the Asian region.

In 2014, AustCham Thailand secured ABE funding for a second consecutive year; with the total amount being more than double that of the previous year.

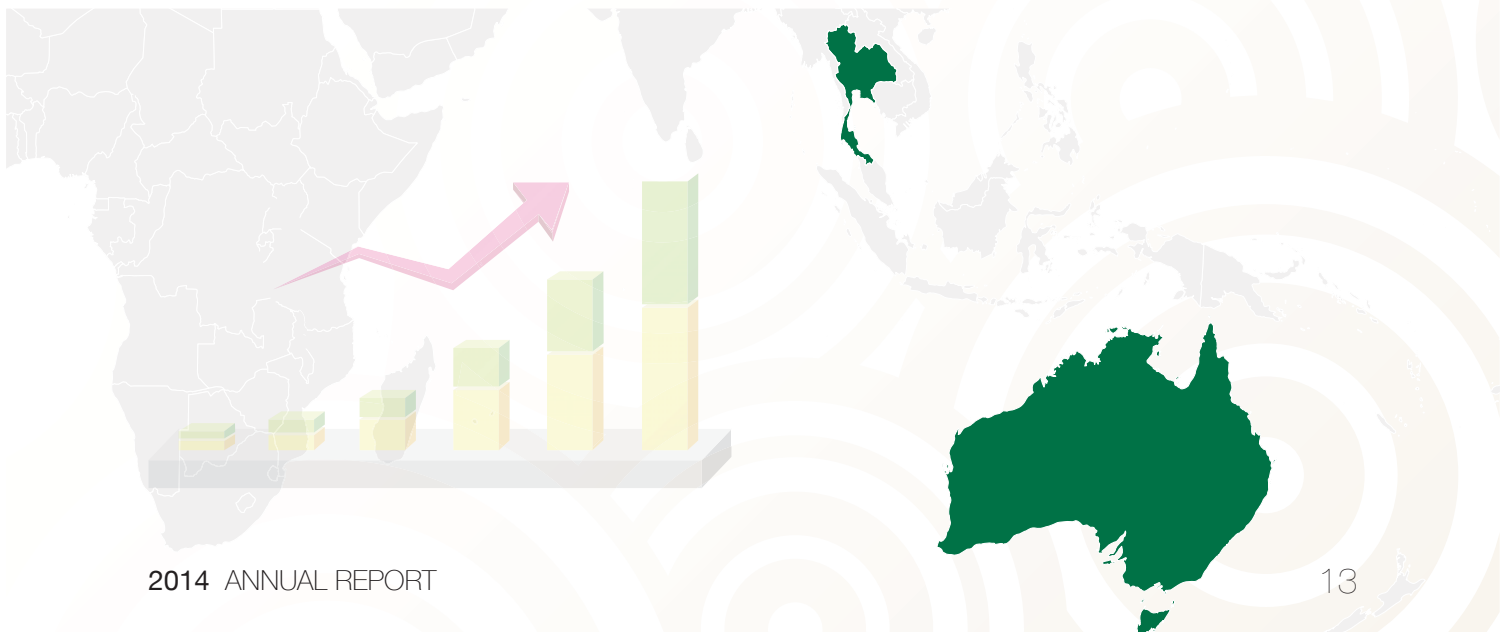
AustCham is a firm believer that leveraging relationships is an important strategic facilitator for all businesses. To make business networks more accessible, AustCham is using this new grant to undertake several new initiatives that will collectively strengthen and expand the Thai-Australian "sphere of influence". These projects will not only help member companies develop new relationships and access in-market networks, but they will also help build the institutional capacity of AustCham to support and promote business in years to come. This grant also harnesses business opportunities emerging in the Asian region, reinforces the capability of Australian-affiliated companies and allow firms to succeed in regional value chains.

AustCham is committed to expanding its industry contacts by identifying and developing close working relationships with influential Australian and Thai executives. To institutionalize these connections, we are strategically seeking collaborative opportunities which foster new leads for SME's, and generate new business ventures and investments.

Building on the success of Australian Business Forums (from 2013/14 ABE funding), AustCham has launched several new industry specific workshops across four sectors; manufacturing, hospitality and tourism, the creative industries, and vocational training. These sessions help broaden knowledge, encourage advocacy, and generate dialogue about emerging business issues in Thailand.

AustCham recognizes that a growing challenge for businesses in Thailand is finding highly skilled and qualified staff. To address this, AustCham is nearing the launch of a new digital platform. This will help connect individuals and companies throughout Australia and Thailand for expertise, knowledge-sharing and job placement amongst other things. AustCham has also sought interest from companies who are willing to host Australian interns as part of the Government's New Colombo Plan.

A special note of thanks is offered to the Australian Government for enabling the ongoing expansion of business links between Australia and Thailand.



Enabling Prosperity: Moving beyond the Middle Income Trap

This highly successful conference was held in conjunction with the Australian Embassy Bangkok at the Grand Hyatt Erawan Bangkok in June. An impressive line-up of speakers included the former Minister of Commerce and Senator of Thailand Dr Naronchai Akrasanee and the Vice-Chairman of the Thai Chamber of Commerce and Chairman of the Committee on Reducing Inequality, Mr Somkiat Anuras.



Australian Alumni Gala Awards Dinner



Australian Alumni Program

Australian Alumni Program

The Australian Alumni program unites and supports graduates from Australian universities. It organises activities and provides opportunities for graduates to leverage their Australian education for personal and professional success. Supported by AustCham, and working along-side like-minded organisations, the Australian Alumni is able to uphold an enduring platform for enhancing the value and prestige of a quality education gained from an Australian university. Functions this year included a Gala Awards Dinner held at the Grand Hyatt Erawan, and presentations and workshops in 'Personal Branding' and 'Health and Wellness'.



Corporate Social Responsibility

Voluntary English Teaching

Our English Teaching program has sponsored Baan khao Huay Mahad School in Rayong Province, Wat Phra Pathamporn School in Sri Ra Cha Province and Baan khao Din school in Chonburi Province. Our aim is to expose students to the English language by using a variety of fun and engaging activities, whilst at the same time opening new doors for them to experience multi-cultural environments. The program would not have been possible without the wonderful support of our small but generous team of volunteers and to them we say thank-you.

Convoy for Kids

This year, AustCham organised a fun day out to Safari World for over 150 children from The Pakred School in Nonthaburi and Sister Joan's Klong Toey Slums project. Along with an outing for the children, the 13th Volvo Truck and Bus Thailand Convoy for Kids Charity Golf Event was held on Friday 6th June at the Burapha Golf Club.

Beaumont Foundation

Many young children in remote communities in the North-eastern province of Chaiyaphuyim are at risk of dropping out of school due to poverty and the need to support their families. The Beaumont Partnership Foundation saw a fundamental need in Thailand for quality education to be made available at all levels of society. As a consequence, they built a "School for the Underprivileged" in the hope that educational equity, quality, occupational skills and English language communication will help the youngsters and their families address these problems. The school will ultimately accommodate 500 students and will be built on progressively with an anticipated completion date of 2018. The Foundation is also developing a series of further educational and vocational training schemes that will provide even greater opportunities for the children in the district as well as provide funding back to the school so that it becomes self-sustaining by 2019. This initiative will also help families generate income without having to move to work outside their communities. AustCham is proud to be associated with this Foundation.



Advance Transition

From November 2014, our popular monthly magazine 'Advance' moved from print to online. Over the past ten years, Advance has become an integral part of AustCham Thailand and its quality and consistency has raised the profile of the Chamber. Through its personal channel of communication, the magazine has reinforced our links with members and friends and as an electronic version, we hope to further grow and strengthen these channels.



ANZAC Day 2014

ANZAC Day 2014 saw the annual commemorations at Hellfire Pass and Kanchanaburi. This pilgrimage is important for many Australians, both for local expats and overseas visitors. There are very few moments in life which are truly sacred and instill feelings of pride and honor. The ANZAC day memorial service is without exception one of these.



Annual Ball

The 2014 Emirates Qantas AustCham Ball, was held at the Shangri-La Hotel in Bangkok to the theme of The Enchanted Forest. A magical evening was enjoyed by all.



Annual Ball



AFL Grand Final

This year's Coffee Club AFL Grand Final event saw Sydney Swans and Hawthorn go head to head. Held at the Royal Orchid Sheraton Bangkok, this event proves popular year on year for AustCham members and their family and friends.



Australia Day Golf Event

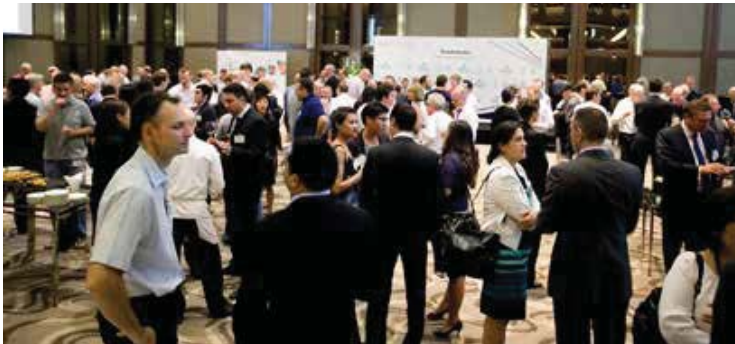
In 2014, AustCham held its first ever Australia Day Golf Tournament at the Muan Kaew Golf Oasis in Bangkok. A total of 122 members and friends enjoyed a day of golf whilst simultaneously making new connections and celebrating Australia's National Day.



Sundowners

Members, friends and sponsors are always welcome to Bangkok's most successful business networking event. Together with our sponsors, these functions are always well attended and provide a casual atmosphere that encourages conversation with like-minded business professionals. Our thanks go to the many venues that have provided such wonderful hospitality throughout the year.

Bangkok



Sundowners

Eastern Seaboard



Business Seminars

AustCham members and guests were exposed to an array of business seminars throughout 2014. Subjects covered anti-corruption, the global economic outlook, brand development & integrated communications, fraud-related crisis management, business in Myanmar as well as special presentations delivered by the Board of Trade and Microsoft.



Working with other Chambers

From time to time AustCham unites with other Chambers to advocate on important matters or expose members to a broader network of contacts.



AustChamThailand

20th Floor, Thai CC Tower
43 South Sathorn Road
Bangkok 10120 Thailand
BTS: Surasak
Tel. +66 2 210 0216-8
Fax. +66 2 675 6696
E-mail: office@austchamthailand.com
Web: www.austchamthailand.com