

**Chairman's Report to AustCham Hong Kong & Macau
Annual General Meeting, 23 March 2016**

AustCham Hong Kong & Macau is the largest Australian Chamber of Commerce globally outside of Australia and one of the largest of the international business chambers in Hong Kong.

As the Chamber's logo indicates, AustCham Hong Kong & Macau is a member of AustCham Greater China. Being a member of AustCham Greater China strengthens AustCham in Greater China and creates a platform for better representing our members in the region.

The past year was a year of progress, change and renewal and I will address some specific points in each of these areas.

TO THE YEAR IN REVIEW

The Board regularly reviews the Chamber's strategy and discusses new directions for the Chamber. During the past year, this has resulted in work on a Chamber diversity policy, the furtherance of Austcham Women in Business, progress on updating the Chamber's Articles and governance structure, the addition of many new members, the introduction of new events, and a range of other successful projects.

There are many ways for members to serve the Chamber and to make contributions that benefit the Chamber's diverse membership. Beyond serving on the Board, many members presently make important contributions to the Chamber through Committee work, by contributing to Chamber initiatives such as the very successful Mentoring Program, by speaking at Chamber events, by attending and sponsoring events, and in other ways.

In addition to the growth in membership, the Chamber improved financially. Total revenue for the year ended 30 June 2015 was HKD 11,387,540 up from HKD9,475,530 in the previous year. The Chamber had a surplus of HKD 1,043,063 for the year, this being a little lower than the HKD 1,254,221 surplus delivered in the previous year. At financial year-end net assets of the Chamber were HKD 3,803,274 and cash and cash equivalents were HKD 5,227,558.

The Chamber's financial strength supported the Chamber's key areas of activity, being Member Services, Events, and Advocacy. I shall report on each of these key areas in turn starting with Member Services.

TO MEMBER SERVICES

On Austcham news - the Chamber's monthly publication continues to be a mainstay in keeping contact with the broad membership of the Chamber. There is room to make the publication even better and efforts are underway to ensure that this happens.



AUSTCHAM

HONG KONG & MACAU

A MEMBER OF AUSTCHAM GREATER CHINA

CHAIRMAN'S REPORT

On Chamber Committees - the **Chamber Committees** have stepped up the promotion and advocacy of Australian business interests as well as facilitated a number of excellent business connection events during the past year. Their participation and expertise has been instrumental in helping the Chamber develop a louder and more relevant voice for our members. On behalf of the Board, I thank all members who sit on the Committees or who have otherwise supported them during the past year.

On Macau - the Macau Business Committee is assisting the Chamber in planning and coordinating activities in Macau into the future. Doing more for our members in Macau, and connecting them more closely with our other members remains a priority for the Chamber.

On our Event Service for Members - the Chamber offers an event service for companies wanting to promote their product or service, to 'test the waters' in the Hong Kong market, or to provide an introduction to their operations. The Chamber provides logistical support for these events only and charges a fee for its services. This service was in demand in 2015 and has helped to support other member activities.

On the Membership Directory – nearly 1,000 copies of the Directory will be distributed in 2016. The Directory continues to be a major project and the feedback from members is that they find it to be of great value.

On Platinum Patrons - these top-tier members make a significant financial contribution to the Chamber for the benefit of all members.

On Room hire - the Chamber's renovated Business Centre is a centrally located space which is offered to members at cost effective rates. It has hosted training sessions, workshops, and mediation sessions for up to 25 people.

On Small business support - over 60 per cent of the Chamber's members are small and medium sized enterprises. The Chamber has worked in various ways to support its SME members. The Chamber has also developed a "Small Business Network" which was launched in June 2014. The Small Business Network is a platform to generate referrals and business between network members.

On Sponsorship - our sponsors are valuable partners who have enabled the Chamber to elevate its level of service and the quality of Chamber events. On behalf of the Board, I offer sincere thanks to the many organisations that have supported Chamber activities with sponsorship for events, beverages, accommodation, raffle and lucky door prizes, and equipment for the Chamber and its members during the past year.

NOW - ON EVENTS

All major events in the past year were well received by the membership and made a significant financial contribution to the Chamber.

The year's event calendar included:

- The Australia Day Lunch

- The Rugby 7s luncheon
- Access China
- Christmas Mix

The Chamber endeavours to impress upon each speaker the work that our members do in support of Australia and in developing an Australian business presence in Hong Kong & Macau, business ties between Hong Kong & Macau and Australia, and relevant business and people-to-people ties within the region more broadly.

NOW – ON ADVOCACY

Various advocacy activities took place during the year and the Chamber made submissions to relevant agencies in Australia or in Hong Kong on a range of matters including but not limited to:

- Australia's Future Tax Treaty Negotiation Program
- The Australia-Hong Kong Double Taxation Agreement
- The Australia-China Free Trade Agreement
- The Hong Kong Policy Address and Budget

AUSTCHAM ARTICLES UPDATE

As I foreshadowed to members at the 2015 Annual General Meeting, the board intends to soon place before members for approval a revised and updated version of the governing documents of the Chamber, namely the Articles of Association. The documents have already been circulated for comment and the comments received have been considered and where appropriate the proposed Articles have been amended.

The Memorandum and Articles of Association were first adopted in 1987 when the Chamber was established. There have been some amendments since that time - the last being in 1999. The Board considers that it is now appropriate for the Articles to be reviewed and updated in view of the recent changes to the Hong Kong Companies Ordinance and developments in corporate governance generally. We believe an updated version that clarifies key governance and procedural issues will help guide members and the Chamber in the years to come.

Updating and reviewing Articles is a process that takes some time. We are committed to best practice. King and Wood Mallesons is acting pro bono for the Chamber to assist with the review and provide key legal advice. We thank them very much for their valued assistance to date and going forward.

In order to update the Articles members will need to agree to the changes in a formal meeting of members. We plan to call an Extraordinary Meeting of Members for this purpose in the first half of 2016.

IN CLOSING LET ME SAY THAT

A non-profit, non-government, members association does not succeed without the commitment, time and energy of many individuals and corporations. I would like to highlight some of those who made significant contributions during the past year or so:

- The Australian Consul General Paul Tighe and his wife Diane;
- The Support Australia Group organisations, particularly the Australian Chinese Association and CPA Australia;
- Austrade, led by Senior Trade Commissioner Dan Tebbutt, Senior Trade Commissioner Yvonne Chan, and also the Queensland Trade Office for their very active support of Chamber activities;
- My fellow Board members during the past year: Deputy Chair Melanie Nutbeam, Deputy Chair Tom Corkhill, Treasurer Andrew Macintosh, Clement Chan, Alan Johnson, Fiona Nott, Darren Bowdern, Paul Scroggie, George Lam, Dan Tebbutt, Randall Hall, and Yvonne Chan.
- The Chamber Committee Chairs and Vice Chairs for their tireless, voluntary leadership; and
- The Secretariat team which did a fantastic job in 2015.

Finally, and most importantly, thank you to all our members. The journey has just begun in terms of our ambition to provide enhanced value to you for your membership.

The Board is committed to working closely with management to make AustCham even better and we remain open to your feedback and suggestions on how that might be done.

Richard Petty
Chairman
The Australian Chamber of Commerce Hong Kong & Macau
23 March, 2016