

# ANNUAL REPORT 2022-23





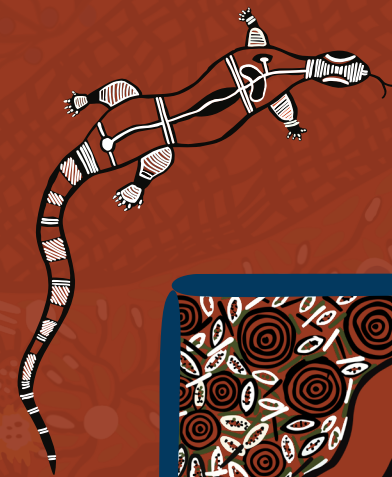


## Industry Capability Network Victoria Annual Report 2022–23

Industry Capability Network Victoria  
Level 23, 370 Little Lonsdale Street  
Melbourne Vic 3000  
Tel +61 3 9864 6700  
Email [info@icnvic.org.au](mailto:info@icnvic.org.au)  
[icnvic.org.au](http://icnvic.org.au)

ABN 20 007 058 120

© Industry Capability Network (Victoria) Limited 2023. This publication is copyright.  
No part may be reproduced by any process except in accordance with the  
provisions of the Copyright Act 1968.



*'Egg And Orchid Time' by Timani Nicholls-Moore*

ICN Victoria acknowledges the Traditional Owners of Country throughout Australia and pays respects to Elders past, present and emerging.

In 2023, ICN Victoria commissioned talented indigenous artist Timani Nairana Nicholls-Moore to create an artwork to adorn the entrance of our office.

Timani is a proud Dja Dja Wurrung, Ngarrindjeri, Yorta Yorta and Wemba Wemba woman. Her work is deeply influenced by her indigenous heritage.

In her artwork, *'Egg and Orchid Time'*, Timani tells the story of renewal and new beginnings, representing the eternal cycle of change, growth, and abundance.

We actively engage with verified Victorian Aboriginal businesses to understand and build capability, working together to identify opportunities to support their growth.

Keep an eye out for elements of Timani's artwork on ICN Victoria's publications and resources.







## A message from the Chair

ICN Victoria remains committed to economic growth, promoting local capability, and championing innovation. Our partnership with the Victorian Government has strengthened, enabling us to support 780 government projects worth \$50 billion and to support the allocation of \$45 billion in projects to local businesses, creating nearly 10,000 jobs. Our sector insights promoted local innovation, capability and capacity, and identified opportunities for onshore diversification and growth.

A noteworthy achievement was supporting businesses to source over \$100 million in goods and services from social benefit suppliers, creating over 1,000 hours of opportunities for individuals from priority cohorts.

In January 2023, we relocated to the Victoria University City Tower, positioning us for the upcoming 40th anniversary of ICN Victoria in 2024 and fostering enhanced collaboration within our team.

As we celebrate these achievements, I acknowledge Ben Davis's contribution to the Board during his tenure as Deputy Chair. I also wish to inform you that our CEO, Dianne Smith, has resigned after an excellent three-year tenure. Her dedication to nurturing team culture and stakeholder management has left a positive mark. We extend our best wishes for her next chapter.

Sincere thanks go to our dedicated ICN Victoria team, whose unwavering passion and commitment to our #helplocalwin purpose continues to make a difference. We look forward to continuing to work with you and making a positive impact on Victorian manufacturing.

### Tim Piper AM

Chair, ICN Victoria Board of Directors

## A message from the CEO

ICN Victoria has grown successfully in the past year, expanding into new sectors.

Our people are the foundation of our success. Across Victoria, our team collaborated effectively to deliver value to customers and stakeholders, building more resilient, sustainable and inclusive supply chains.

Our connection to local industry, the national ICN network and our 'boots on the ground' team enabled us to support local supply chains, foster innovation and drive job growth.

We connected more than 18,000 local businesses to opportunities totalling over \$60 billion in public and private projects, leading to secured contracts worth over \$230 million. Notable projects included Star of the South, Ørsted Energy, Aikenhead Centre for Medical Discovery, North East Link Project, and the Goschen Rare Earths and Mineral Sands Project.

Our Industry Advisers fostered connections across regional and metropolitan Victoria, gaining valuable insights into local industry capability.

We welcomed Lisa Maro as our Renewable Energy Industry Adviser, whose contribution in organising clean energy events garnered attention from industry leaders and innovators. Our briefings on offshore wind projects attracted 1,700 registrants, signalling a strong interest in this sector.

Dr. Craig Neylon, our MedTech Industry Adviser, hosted the ICN Victoria MedTech Showcase and briefings for entities including Moderna and Maryborough Hospital. These endeavours highlighted opportunities in the MedTech sector.

We helped successfully implement the Victorian Government's Social Procurement Framework and the Building Equality Policy. Industry Adviser, Janelle Williams, played a pivotal role in advancing the participation of women in the construction industry.

Our Digital Platforms team has played a significant role in advancing our VMC platform as the flagship portal for government policy compliance, monitoring, and reporting. The portal's functionality was expanded to incorporate the Social Procurement Framework and Building Equality Policy, with an ongoing commitment to streamline user experience and reinforce system security.

Our Policy and Business Capability teams continued to deliver on local capability insights and reporting for government. Our offshore wind capability map was particularly well-received.

Our new home at Victoria University City Tower marked a mutually beneficial partnership, including an internship program and input to the VU Skills roundtable.

I extend my appreciation to our dedicated team for their achievements over the past year, to our Board Directors, and to the Department of Jobs, Skills, Industry and Regions (DJSIR) and the Victorian Government for their tremendous support.

### Dianne Smith

Chief Executive Officer, ICN Victoria



# Helping Local Win

At ICN Victoria, we believe that a thriving local business community is essential for a strong economy. We are committed to helping local businesses succeed by connecting them to opportunities, promoting their capabilities, nurturing skills and driving innovation.

We provide our customers with the products, services, and insights they need to build resilient, inclusive and sustainable local supply chains. We believe that by working together, businesses, government, and communities can shape a more prosperous and sustainable future for everyone.

## How we Help Local Win

We help local businesses win by:

- » Connecting them to opportunities with government, industry partners and buyers
- » Promoting their capabilities and supporting local engagement on procurements
- » Providing access to the skills and knowledge they need to succeed in a competitive market
- » Fostering innovation and collaboration, especially in emerging markets and sectors
- » Implementing policies that support local businesses and supply chains, such as the Local Jobs First Policy (LJF), Social Procurement Framework (SPF) and Building Equality Policy (BEP)

## Our Impact

Our work has a positive impact on the Victorian economy and community:

- » We help create jobs and generate wealth
- » We support the development of new industries and technologies
- » We promote sustainability and inclusion
- » We strengthen the resilience of Victorian supply chains



# Contents

A message from the Chair .....	4
A message from the CEO .....	5
Helping Local Win .....	6
Year in review .....	8
Strategic priorities .....	10

## Operations

Success stories .....	14
Sector capability .....	19
Engaging the clean economy .....	20
Empowering inclusive employment and social benefit .....	22
VMC overview .....	23
Our impact .....	24
Customer Value Proposition .....	25
Our people .....	26
Organisation structure .....	28
National network .....	30

## Governance

Our Board .....	32
Executive team .....	34

## Statutory Report

Directors' Report .....	36
Auditor's Independence Declaration .....	41
Financial Statements .....	42
Independent Auditor's Report .....	63



# Year in review

ICN Victoria is committed to fostering economic growth and industry development by promoting local industry participation through procurement and industry policies. We recognise that local businesses drive jobs, stimulate innovation and enhance community well-being.

In 2022-2023, ICN Victoria helped to support over \$57 billion in local industry participation through government and private sector procurements. This will result in the creation and retention of over 10,000 jobs. We promoted local capability and sourcing, as well as partnerships with local businesses and industry development initiatives.

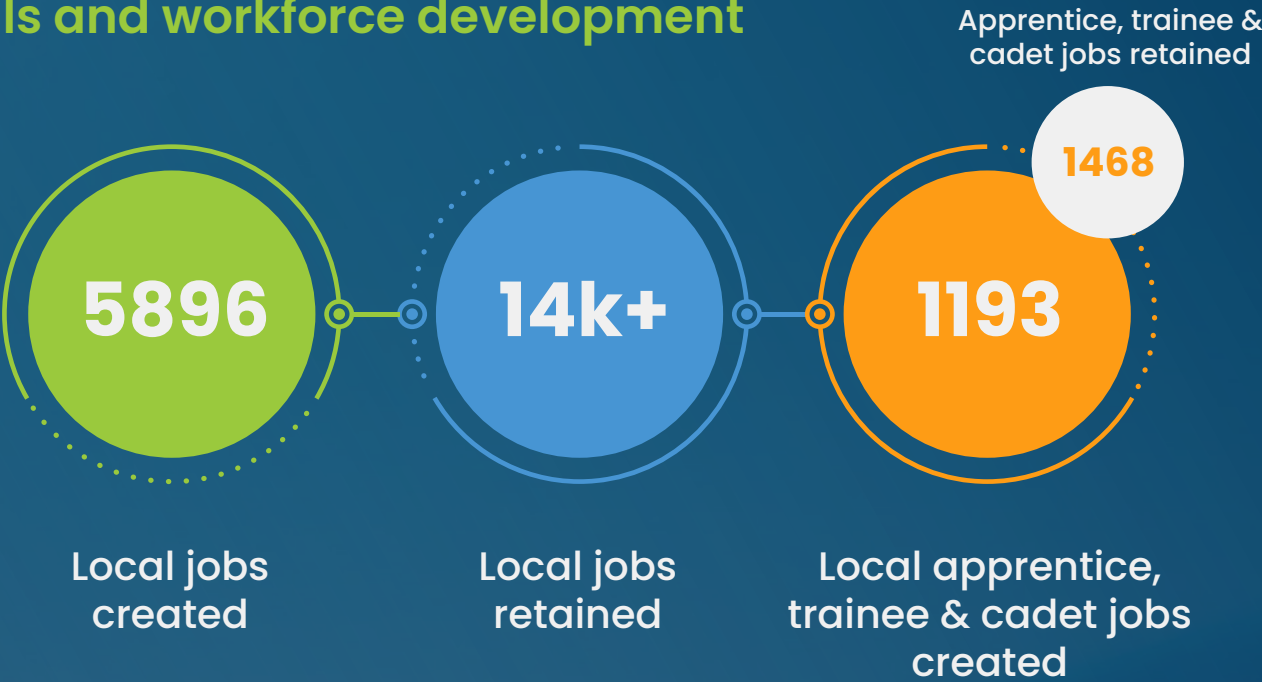
## Policy implementation outcomes



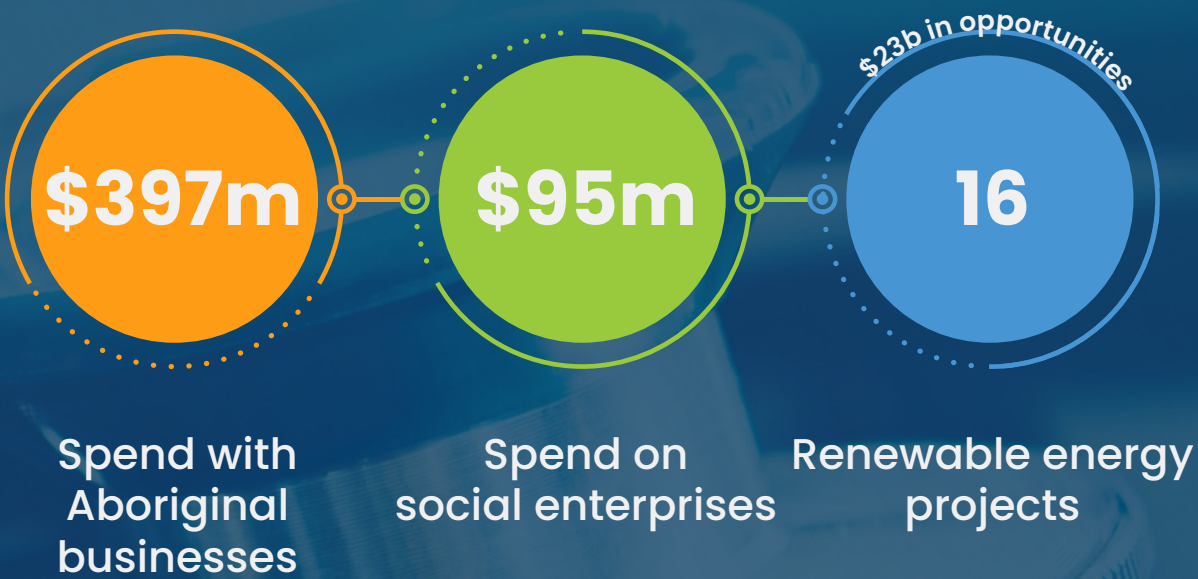
## Industry engagement



## Skills and workforce development



## Social and sustainable outcomes



## Key projects supported

- » Aikenhead Centre for Medical Discovery
- » Ørsted Energy
- » Ballarat Base Hospital Redevelopment
- » Camperdown Residential Aged Care
- » Star of the South
- » Frankston Hospital Redevelopment
- » Geelong Arts Centre Stage 3
- » Goschen Rare Earths and Mineral Sands Project
- » Munarra Centre for Regional Excellence
- » North East Link Project
- » New Footscray Hospital Project
- » Spinifex Offshore Wind Farm



# Strategic priorities

## People and Culture

We promoted an inclusive work environment where staff are treated with respect and care. We collaborated to build a culture where everyone can succeed.

### Key Activities:

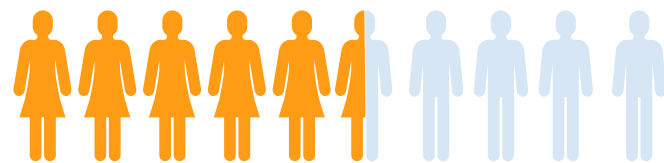
- » Implemented an organisational re-structure and delivered a comprehensive training program for our team
- » Introduced paid parental leave for primary and secondary carers
- » Implemented a performance management system and formalised the remuneration policy
- » Established a 5-day professional development leave policy
- » Moved into a new office and introduced new ways of working to support hybrid operations



Employee Net Promoter Score



Employee head count



Employee engagement	%
2021-22	68%
2022-23	81%

## Governance and Financial Sustainability

ICN Victoria has a strong governance structure and commitment to ethical business practices. We achieved financial sustainability through effective resource management and diversified funding sources. We also implemented robust performance monitoring mechanisms to track our progress and ensure continuous improvement.

### Key results:

- » Updated our Workplace Health and Safety Charter and re-established the Workplace Health and Safety Committee
- » Negotiated additional funding of around \$500,000 for Social Procurement program delivery and VMC upgrades
- » Met and exceeded commercial revenue targets
- » Launched the Cyber Security Committee and training program
- » Implemented improved budget management processes



**\$500,000**

Additional funding negotiated

Diversified revenue achieved  
**\$516,000**

2022-23 Target  
**\$480,000**

## Data, Systems, Products and Services

ICN Victoria has undergone a digital transformation to enhance our core capabilities and deliver exceptional value to our customers. We invested in strengthening our data platforms and enhancing customer service. We also developed new products and services to meet the evolving needs of our customers. As the trusted implementation partner for government initiatives, we played a vital role in driving positive change through LJF, SPF and the BEP.

### Key results:

- » Launched a new reporting solution for BEP and an enhanced solution for SPF
- » Developed and delivered a new VMC training program
- » Introduced new customer service level standards
- » Delivered seven sector capability maps



Industry events delivered



Event attendee Net Promoter Score



**7500+**

Customer requests handled

VMC activity	2022-23
Captured projects	3254
Reporting contracts	2394

## Reach and Impact

ICN Victoria made significant strides towards creating a stronger, more inclusive, and sustainable future for our communities. Through strategic partnerships and collaborations, we have paved the way for local businesses to play an integral role in renewable energy projects and economic growth. We have also successfully advocated for diversity and inclusion in the workplace.

### Key results:

- » Facilitated over \$220 million import replacements
- » Hosted 16 industry events showcasing opportunities for local businesses and jobseekers
- » Supported over \$50 billion government projects, resulting in \$45 billion awarded to local businesses
- » Held five regional showcases in Ballarat, Bendigo, Geelong and Gippsland

Website traffic	Visits per month
2021-22	1,500
2022-23	3,188

LinkedIn audience	Followers
June 2022	3,525
June 2023	5,420

Industry briefing events	2022-23
Events hosted	16
Attendance	1552



# 2022-23 highlights

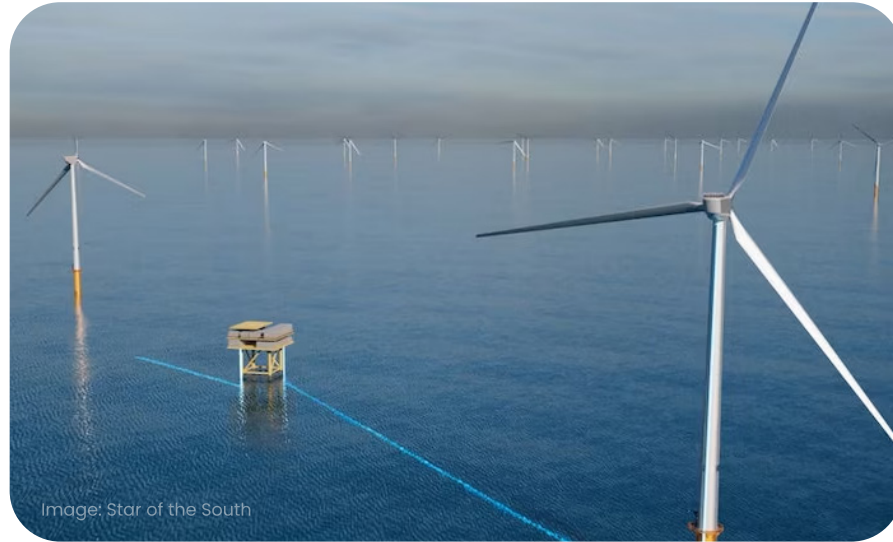


Image: Star of the South



From top left: ICN Victoria has been heavily engaged with the Gippsland region's Star of the South project; the MedTech Sector Briefing brought together industry leaders and project owners; the ICN Victoria Industry Engagement team was granted an opportunity to tour Bambach Wires & Cables; the BEP Roundtable tackled the issue of female representation in the construction industry, ICN Victoria Industry Adviser Andrew Bradley presented at the Geelong Industry Briefing; ICN Victoria's CEO, Dianne Smith, led a panel of engaging speakers at the 2023 Grand Prix breakfast, an event dedicated to 'Growing the Clean Economy'

## Operations



# Success stories

## Hofmann Engineering

Bendigo-based firm, Hofmann Engineering, was awarded the contract to manufacture and supply over 900 bogie frames for the largest order of new trains in Victoria's history. Local Industry Advisor, Noel Morton, played a key role in facilitating meetings between Hofmann and the project team consortium of CRRC Changchun and Downer. Morton also connected Hofmann with local steel companies, who were seconded during the bid phase and the international site visit in 2016.

The bogie frames for 65 high-capacity Metro trains were built using a record 94% Victorian local content and created 40 new jobs for the Bendigo region. Hofmann Engineering fabricated the bogies using locally milled plate from Bluescope Steel, which were then fully machined in their Bendigo plant.

Hofmann Engineering workers visited China to learn new skills and acquire new technologies, including robotic welding. Hofmann subsequently invested \$3 million in their own robotic welding line for train and tram bogies and other projects, as well as adding 3D laser scanning and software to automatically repair worn mining parts.

In 2023, the first test trains were rolled out with the new locally made bogies. Hofmann Engineering's commitment to this project is an outstanding example of a local company competing and succeeding against imported products.



## Jacaranda Industries

Jacaranda Industries of Geelong was awarded the major joinery, ceiling, and wall panelling contract for the Bendigo Law Courts, constructed by builders Kane Nicholson JV (KNJV). ICN Victoria worked closely with architects Wardle, Court Services Victoria, and KNJV to maximise local content in the build during the development phase. The ability to engage local suppliers early in the creative design process is essential to the implementation of LfJ policy.



Jacaranda's scope of works included a variety of finishes throughout the building, such as micro-perforated acoustic wall panels, pre-finished veneer timber, fabric walls, blackbutt veneer and metal feature ceilings. The joinery was manufactured and installed locally.

As part of their commitment to social procurement, Jacaranda generated 8,661 hours of opportunities for apprentices, 1,806 hours for people with a disability, 1,666 hours for Indigenous/Torres Strait Islanders and 3,439 hours for female participation.

The Bendigo Law Courts civic space is visually and culturally part of Bendigo's heritage. Jacaranda is extremely proud to have contributed to this project.

## Medtech

ICN Victoria's first Medtech industry briefing was held in October 2022 at Melbourne Connect in Carlton, attracting a broad range of industry representatives, Victorian Government stakeholders and the Australian Medtech Manufacturing Centre (AMMC).

Topics included overviews of large health infrastructure projects available to local businesses, perspectives from the interface of health and clinical research and case studies of local businesses selling into hospital builds. Dr Craig Neylon, ICN Victoria's Medtech Industry Adviser, spoke on winning work on health projects through the Gateway portal, highlighting current and pipeline opportunities.

The networking session was the most valuable part of the event, providing an opportunity for sellers to meet major contractors from Multiplex (New Footscray Hospital) and Kane Constructions (ACMD), as well as other innovative MedTech companies.

Several new collaborations stemmed directly from the networking session. These included a potential new project of global impact involving Linear Matrix and Advance Filtration Group; the first meeting with Avion Medical which spawned several new initiatives; and, the introduction of Softmet which sparked an ongoing collaboration with ICN Victoria.

Strengthened relationships were seen in connections between Additive Engineering, Amiga Engineering, Eagle Lighting, 4DMedical, and SRX Global, each leading to exciting subsequent engagements.

ICN Victoria is proud to have provided local MedTech companies with direct access to health buyers and to have brought together local innovators to build the future of health technologies.







## Linear Matrix

Linear Matrix, a company that designs, engineers, and installs backlighting solutions across Australia and the world, actively seeks out new networks and work opportunities by attending ICN Victoria events.

At a recent Medtech Sector Briefing, James Dunne, Business Development Manager at Linear Matrix, connected with Roland Pryce of Advance Filtration Group and Erol Harvey from Aikenhead Centre. During the networking session, the trio developed an idea to combine their respective technologies to create an advanced lighting system with overhead air filtration. They have since workshopped a revolutionary new product for surgeries that they hope to take global.

Dunne notes that, if not for the Medtech briefing, they would never have considered this unique combination of technologies, nor met with the right contacts to collaborate. By tapping into ICN Victoria's networks, Linear Matrix was able to reach the right people at the right time, opening doors to major projects.

Linear Matrix also learned the benefit of upgrading to a *Be Compelling* Gateway subscription to make their company searchable for visitors on the platform.

ICN Victoria offers networking opportunities at its state-wide events, the majority of which are free.

## Industry Adviser for Greater Geelong, Peter McCracken

Peter McCracken has been an ICN Victoria Industry Adviser for over 12 years. His passion for driving excellence in manufacturing and procurement, his extensive experience and his commitment to the local business community have made him a respected and sought-after adviser. He is the go-to person for local businesses in Geelong and an excellent spokesperson for ICN Victoria's work.

Peter began his career in the automotive manufacturing industry at Ford, where he advanced from technical positions to leadership roles. Beyond his professional responsibilities, he plays an active role in the local community, serving on the Barwon Water Customer Consultative Committee, Gforce Employment Solutions' board, and the G21 Geelong Region Alliance's Economic Development Pillar. He actively participates in initiatives aimed at strengthening the local manufacturing sector, making a substantial contribution to economic growth and job creation in the region.

Peter's outgoing nature and persistence are assets to his work and his colleagues. His vibrant personality and determined approach make him an invaluable and integral member of the ICN Victoria Industry Engagement team.



## TVN On-Country

TVN On-Country is a 70% Indigenous-owned enterprise that delivers tailored construction, project management and procurement services throughout Australia.

In 2023, they were awarded the Munarra Centre for Regional Excellence (MCRE) contract. Valued at \$20 million, MCRE represents a once-in-a-generation opportunity to enhance Aboriginal cultural identity and celebration; grow Aboriginal leadership, improve Aboriginal health, build Aboriginal education, enhance Aboriginal employment options, and move towards equitable social inclusion and reconciliation.

With support from ICN Victoria, TVN On-Country submitted a compliant Gender Equality Action Plan (GEAP) required under the BEP. ICN Victoria also supported TVN On-Country with supply chain activation to assist them to meet LJF and SPF requirements. The assistance resulted in Winya, a certified Aboriginal Business, being awarded work after submitting an Expression of Interest via MCRE's Gateway page.

With close to a quarter of all TVN On-Country staff members identifying as Indigenous, Jebb Hutchison, Managing Director of TVN On-Country, can see the impact of social procurement and connecting with Indigenous businesses.

"It's about providing opportunities to Indigenous people through meaningful employment, which obviously leads to a higher standard of living. That's probably the biggest piece for myself, as far as connecting with Indigenous businesses through the procurement process. It leads to jobs for Indigenous people," said Jebb.



Image: TVN On-Country



Image: TVN On-Country



# Sector capability

ICN Victoria’s Business Capability Team provides insights into the capabilities of local (Australian and New Zealand) companies to support the end-to-end supply chain across a range of sectors. The team also identifies the factors driving or restraining local capability, and potential opportunities to create new local capability.

This work is underpinned by our in-depth understanding of current and future Victorian Government projects, as well as historical, or future, regional, national, and international projects. This allows the team to provide insights into the health of local capability and manufacturing sovereignty, and to help the Victorian Government identify where investment is best applied to create local jobs and minimise sovereignty risks.

The information provided by ICN Victoria’s Business Capability Team is also a critical component in creating a business case for the development of a project or investment opportunities in the private sector. For project development, an understanding of future government-funded projects can help justify the investment to create local capability. An understanding of the driving and restraining forces for creating local capability highlights the opportunities and the risks to investing.

**We report on:**

- » Warranties
- » Policies
- » Standards
- » Costs
- » Transport
- » Pipeline of work
- » Skills
- » Previous projects
- » Raw materials
- » Location
- » Global competition
- » Environment/Sustainability
- » Social Licence

**Sectors reviewed:**

- » Offshore Wind
- » Renewable Generation
- » Energy Storage
- » Furniture
- » Fixtures, Fittings and Equipment
- » Textiles, Clothing and Footwear
- » Electrical Vehicle Charging Stations
- » MedTech
- » HVAC
- » Rolling Stock Maintenance
- » Ultra-High Performance Concrete
- » Modular Housing

**The output:**

The work of ICN Victoria’s Business Capability Team is available in three forms:

- » Sector Capability Reports: An overview of the sector’s supply chain, past and future project volumes, insights into emerging technologies and opportunities.
- » Sector Directories: A list of companies with validated capability to support the sector’s supply chain.
- » Excel Datasets: A dataset of the companies within the sector directory.



# Engaging the clean economy

Demand for ICN Victoria's services is constantly evolving and we are committed to responding accordingly to achieve our mission of helping local win.

## ICN Victoria and the clean economy

ICN Victoria is committed to responding to the evolving demand for services in the clean economy. The introduction of a global net zero target by 2050, the Victorian Government's emissions reduction target, the re-establishment of the State Electricity Commission, and market trends indicating significant private and public investments in energy transition have created new demand for services that ICN Victoria is well-positioned to meet.

During the 2022-23 financial year, ICN Victoria focused on developing and realigning products and services to support the Victorian economy to maximise local content opportunities within the clean energy sector. To achieve this, we established an Emerging Sectors function to enable agility and innovation. We also appointed a dedicated Renewable Energy Industry Adviser, Lisa Maro, to maximise local capability on major renewable energy infrastructure projects.



## Working with developers

ICN Victoria's Industry Advisers, including those in regional Victoria, proactively work with developers to identify local supply chain capabilities and capacity at the early design stages. In 2022-23 ICN Victoria worked with 12 project proponents to identify potential suppliers for the submission of feasibility licence applications to build offshore wind farms off the Gippsland coast. Through our channels, including industry briefings and Gateway project pages, we were able to collect over 800 Expressions of Interest for these important projects.

ICN Victoria prioritised maximising local content opportunities on solar farm projects. We supported key projects including the six solar farms funded under VRET 2: Derby Solar Project, Fulham Solar Farm & DC Coupled Battery, Kiamal Solar Farm – Stage 2, Frasers Solar Farm, Horsham Solar Farm and Glenrowan Solar Farm. We hosted industry briefings, site visits and created Gateway pages to help local suppliers connect with developers and procurement teams and learn about the project timeframes and capabilities required.



## Engaging the supply chain

ICN Victoria hosted its first Growing the Clean Economy supply chain event at the Grand Prix with over 100 attendees engaging with our strategic partners: Clean Energy Council and Breakthrough Victoria. We also heard from the Australian Grand Prix Corporation on their strategy to be Net Zero Carbon by 2030 and from Gaia EnviroTech's transition journey into the market.

Through the ICN Network partnership with Climate Clever, SMEs have a simple and effective approach to climate action. Using the Climate Clever platform, our customers can manage emissions data, develop a climate action plan and monitor progress.



## Working with agencies

ICN Victoria's unique connection to industry and understanding of local manufacturing capability, opportunities, and capacity in the clean economy allowed us to partner with the Victorian Government to map current and potential supply chain capabilities across the state. In consultation with DJSIR, we completed an Offshore Wind Supply Chain Map which has provided valuable insight to the Victorian Government about local capability in this important sector.



# Empowering inclusive employment and social benefit

ICN Victoria is committed to promoting the principles of the SPF and BEP, together comprising the Social Procurement Program. Our program, supported by the Department of Government Services (DGS), delivers on three pillars: education, engagement and reporting.

We form strong connections with local stakeholders through:

- » Educational webinars and resources on policy implementation, requirements and considerations
- » Networking opportunities for industry
- » Round table discussions to foster collaboration on opportunities and challenges
- » Training and support for SPF and BEP reporting
- » Comprehensive reviews of the SPF reporting requirements
- » Collaboration with key stakeholders, including DGS, Industrial Relations Victoria, Apprenticeships Victoria, Department of Education, Kinaway Chamber of Commerce, Social Traders, BuyAbility, Jobbank, Master Builders Victoria, Master Plumbers Association, Tradeswomen Australia and the National Association of Women In Construction (NAWIC).

## Program highlights

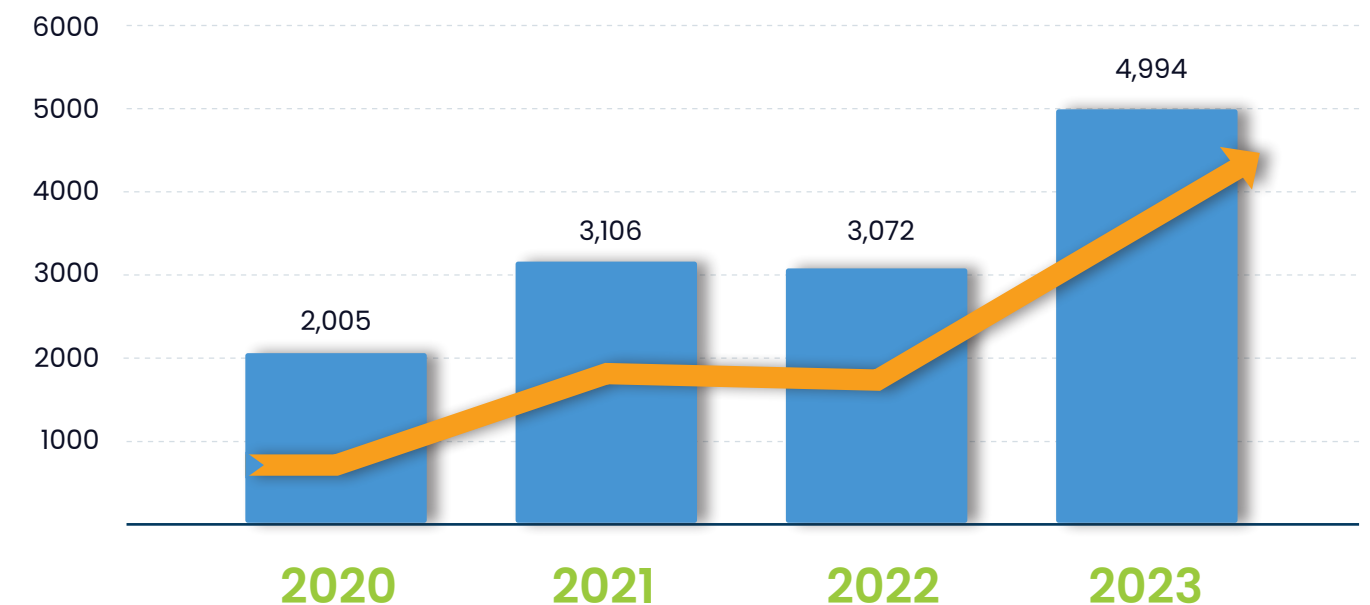


# VMC overview

The Victorian Management Centre (VMC) is an information management platform based on Salesforce. It collects local, social, and sustainable procurement data to support the government and industry to measure the local, social and sustainable impact of the Victorian Government's procurement activities.

Relaunched in 2019 to support the tendering process for the LfJ Policy, the VMC was expanded to support SPF reporting in 2021 and the BEP in 2022. Since policy reporting outcomes have become mandatory in the VMC, the portal has experienced significant growth in users and project registrations. This increased user uptake and has created an important source of information for government agencies, industry users and policy owners.

## Number of new VMC users



2022-23 saw significant growth in the VMC. LfJ policy updates were implemented, and Phases 2 and 3 of the BEP reporting capability were released on schedule.

Multiple new functionalities for reporting components were introduced, including a data import feature that helped the Major Transport Infrastructure Authority (MTIA), a major player in Victorian Government procurements, start reporting in the VMC. The integration of ABN Lookup into the VMC also commenced as a priority project, intended to improve the quality of manufacturer and supplier data in the system.



# Our impact

We contributed to the injection of over \$45 billion into the local economy, supporting infrastructure, services, further business and supply chain recovery. This also contributed indirectly to innovations in business and benefits for communities.

## We champion inclusive employment

We championed inclusive employment (supporting over **\$550 million in social benefit supply spend**), ensuring that individuals from diverse backgrounds and abilities have the chance to contribute to and benefit from economic growth. We have taken significant steps toward levelling the playing field through policy, engagement, education, partnerships and our own internal procurement practices.

## We leverage data and analytics

We leveraged data and analytics to provide critical insights (**8 sector insights reports**, **59 strategic project frameworks**, and two **2 BEP roundtables**) that inform policy and business decisions, drive innovation and enhance industry competitiveness.



## We facilitate engagement of local business

We contributed to the creation of over **7,000 jobs** and over **16,000 ongoing jobs**, strengthening communities and households.

## We are guided by sustainability

We promoted sustainable procurement practices, environmental initiatives (including **15 renewable energy projects**), and community engagement that supports ecological health and social well-being.



Closer to home, as part of our internal Social Procurement Strategy, we contracted Fruit2Work, a not-for-profit social enterprise, to provide our kitchen supplies. They create chances for people impacted by the justice system.

Fruit2Work has employed four people through our spend. This included three Indigenous employees – one disengaged youth and two long term unemployed women.

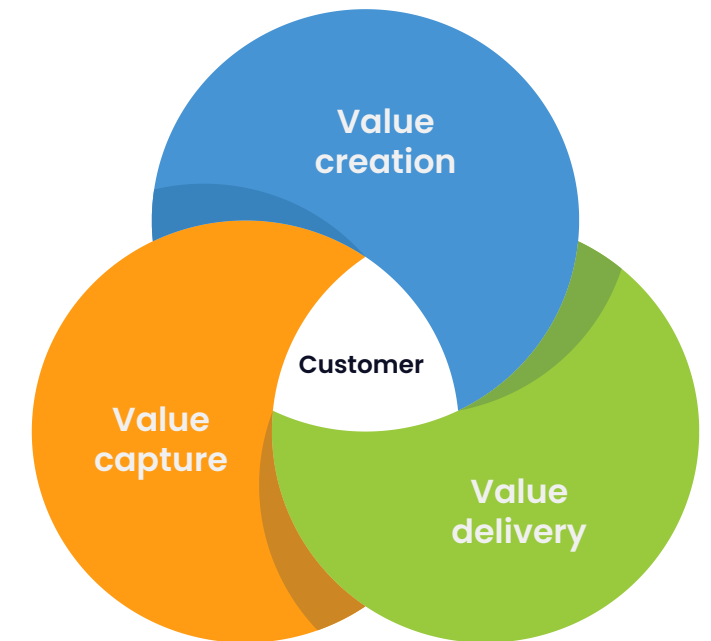
# Customer Value Proposition

We refined our Customer Value Proposition (CVP) to communicate better the benefits of ICN Victoria's products and services to our broad customer base. This was driven by our commitment to understanding the customer's diverse needs and preferences.

We conducted thorough market research on target audiences and gained valuable insights into what matters to them. The research enabled us to plan product and service innovations based on customer needs. This has led to streamlined systems to ensure efficient delivery and exceptional service quality.

We have commenced communicating our CVP clearly and accessibly through online channels and events. We plan to monitor customers continuously on their journey to ensure that our products and services are delivering value.

We remain committed to refining the CVP, leveraging data insights, and continuously adapting to meet the ever-evolving needs of our diverse customer base. These efforts will ensure that we sustain our current success and thrive in the years to come.





# Our people

Our Culture Code is a shared understanding of what matters most to our people, shaping how we make decisions and work together with a shared purpose.

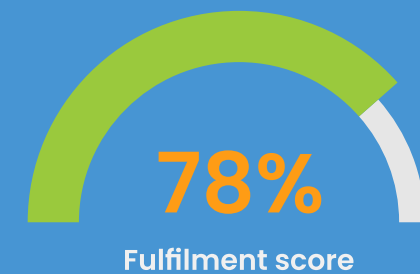
Here are just some of the highlights of how we help each other to thrive at work:

## Employee engagement

Using Salpulse as our measurement tool for staff engagement, we are proud of the way our staff feel engaged and supported at ICN Victoria. Our culture index sits at an impressive 86/100 which demonstrates that most of our people are aligned with our purpose and values. Our engagement score is also high at 78/100 and our psychological safety score of 90/100 shows that most people feel respected and safe in the work environment.

## Event volunteering

Volunteers are essential to the success of our events. Volunteering also provides an opportunity for ICN Victoria employees to meet key stakeholders face-to-face. In 2022-23, our ready team of volunteers welcomed guests at event registrations, initiated conversations at networking sessions and assisted with packing up after hours. We are immensely grateful for their contributions.



## Fulfilment

The overall fulfilment score of employees in April 2023 was 78%. This shows most employees have scored highly on fulfilment. Wanting Development rated highly as an engagement factor across the group.



## Staff testimonials

In May Lisa Maro took to Salpulse, our culture recognition platform, to recognise Andrew Bradley, Jana Parker and Peter McCracken for advancing our Purpose: To Help Local Win, when they assisted her with loading a project page to Gateway.

*"I want to shout out to our incredible team for the support they have shown towards me in coaching me through the process to put up the Vic Art Centre seating package with Lend Lease. It was an urgent requirement, and I felt fully supported and confident in the information provided by all and the extra effort from Jana. Thank you, Lisa."*

– Lisa Maro, Industry Adviser



## Fundraising

Fundraising is another way that our team makes a difference. In May 2023, an ICN Victoria team participated in the MS Walkathon around Albert Park and raised a total of \$1,311 for multiple sclerosis research.

## Paid parental leave

In 2022-23 the Board approved our first paid parental leave policy. The policy provides 12 weeks paid leave at full salary plus superannuation to primary carers, and three weeks to secondary carers. This is in addition to the Federal Government's 20 weeks of paid leave at minimum wage. New parents have already benefited from these leave provisions.

## Office move

Relocating over 40 team members to a new office space and introducing flexible working arrangements was a major undertaking in 2022-23. We established the Project Big Smoke Working Group to oversee the move and implement a comprehensive change management plan to assist our team on this journey. While Yelena Kats liaised with Victoria University to manage the logistical arrangements, Jo Hitchin and Marianna Costa facilitated a New Ways of Working workshop to engage the team and solicit collective input on how to best utilise the new space. The move to the new office and the new ways of working has been a resounding success, with most team members in the office at least two days a week. The new kitchen (aka the Sky Bar) has become the venue of choice for many social events.





# Organisation structure

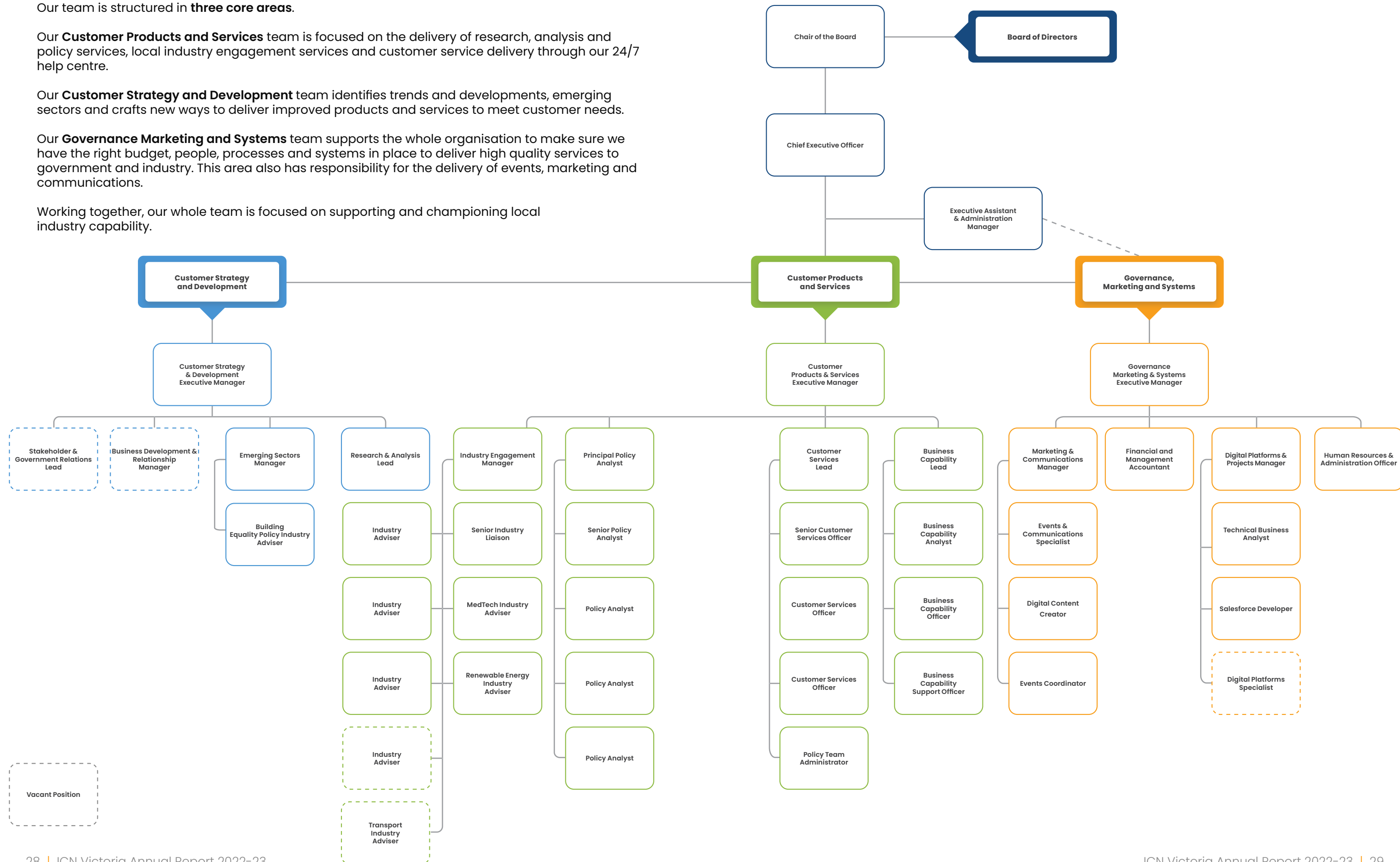
Our team is structured in **three core areas**.

Our **Customer Products and Services** team is focused on the delivery of research, analysis and policy services, local industry engagement services and customer service delivery through our 24/7 help centre.

Our **Customer Strategy and Development** team identifies trends and developments, emerging sectors and crafts new ways to deliver improved products and services to meet customer needs.

Our **Governance Marketing and Systems** team supports the whole organisation to make sure we have the right budget, people, processes and systems in place to deliver high quality services to government and industry. This area also has responsibility for the delivery of events, marketing and communications.

Working together, our whole team is focused on supporting and championing local industry capability.





# National network

ICN Victoria is part of national network of state and territory offices, linked through our brand, and products and services including Gateway. We provide support and expertise for procurement and supply chain, providing subscribers with advice across a broad range of industries and local markets.

We collaborate across the network and leverage from each office the expertise required, including sharing a series of workshops on the SPF and Australian Industry Participation (AIP).

ICN states and territories also come together to represent the network at national events, including the online ICN Defence Day and Australian Manufacturing Week 2023.



## Governance



# Our Board

ICN Victoria is governed by the ICN Board of Directors who are appointed each year by the Company Members. The Company Members comprise two nominees appointed by Australian Industry Group (Ai Group), two nominees appointed by Victorian Trades Hall Council (VTHC), one nominee appointed by Engineers Australia (EA) and one nominee appointed by the Victorian Chamber of Commerce and Industry (VCCI).

The Board plays a critical role in setting the strategic direction and risk appetite for the Company and defining its values. The Board's strategic vision for the Company is set out in the 2021-24 Corporate Strategy which is supported by the ICN Victoria Culture Code.

The Board meets regularly to review the performance of the organisation against its KPIs, to monitor and manage risk and to ensure the Company is meeting its legal and regulatory obligations.



## Tim Piper AM

Head – Victoria, Australian Industry Group

Tim Piper is the Victorian Head of the Ai Group and has held the role of Chair at ICN Victoria since 2003. He also sits on the Portable Long Service Leave Authority, WorkSafe Victoria Advisory Council and Occupational Health & Safety Committee as well as several Victorian Government committees across environmental, rail, skills and industrial issues. Tim's Member of the Order of Australia was awarded for his services to industry and manufacturing, skills training and multicultural youth. He has also been an Australia Day Ambassador and was the recipient of the Centenary Medal for services to the business community.



## Ben Davis

Victorian Branch Secretary, The Australian Workers' Union

Ben is the Victorian Branch Secretary of The Australian Workers' Union (AWU). Further, he has been the AWU Victorian Vice President since 2007. Ben has experience across a range of industries, especially through his 10 years as AWU's Organiser for Victoria. Ben has a deep passion for major projects and by extension, the provision of opportunities to local SMEs through the LJF policy. Ben resigned from the Board in April 2023.



## Alesha Printz

General Manager Victoria, Engineers Australia

Alesha is a Chartered Engineer and the General Manager, Victoria of Engineers Australia, Australia's peak engineering association representing around 100,000 engineers. Alesha is also a board member at Engineers Without Borders Australia and has an extensive industry experience in the delivery of major infrastructure projects for Victorian water authorities. Her 5-year tenure as a Director at ICN Victoria is motivated by the organisation's role in supporting Victoria's economy, specifically through connecting local SMEs to project opportunities. Alesha is passionate about infrastructure delivery, diversity, social inclusion, promoting the role of engineers and developing capability to deliver great outcomes for the community.

## Tony Mavromatis

Victorian Branch State Secretary, Australian Manufacturing Workers' Union

Tony became a Director of the ICN Victoria board in August 2018. Tony is the Victorian Branch State Secretary of the Australian Manufacturing Workers' Union (AMWU). He has been involved in the manufacturing and construction industries for many years and is a long-time member of the AMWU. Tony is passionate about the LJF policy and supporting local manufacturing in Victoria.



## Dr Gillian Sparkes AM

Victoria's Commissioner for Environmental Sustainability

Dr Gillian Sparkes AM FAICD FIPAA is Victoria's Commissioner for Environmental Sustainability and a non-executive director. Gillian is also Chair of FrontierSI, Deputy Chair of the Royal Children's Hospital Foundation and a Commissioner of the Victorian Building Authority Board. Previous roles include industrial chemist and operations manager with BHP Steel and Brambles Cleanaway. She was also an establishing Centre Director for the Commonwealth Enterprise Connect Program from 2008-2010, experiencing first-hand ICN Victoria's critical role in supporting industries and creating jobs. Gillian was awarded a Member of the Order of Australia in 2021 for significant services to environmental sustainability and to public administration.



## Paul Guerra

CEO, Victorian Chamber of Commerce and Industry

Paul is an internationally experienced leader having held Managing Director/CEO and Chairman level roles across Australia and Asia Pacific. He was previously the Chief Executive of the Royal Agricultural Society of Victoria and Managing Director Asia Pacific for Optum International. Other roles include Victorian State Director for Vodafone and a 17-year career with Motorola finishing as the Director and Vice President for Motorola AsiaPac. Paul holds an honours degree in electronic engineering from Swinburne University, a post graduate diploma in management with a major in marketing. He is an Australia Day Ambassador and involved in several boards, not-for-profits and start-ups.



## Russell Rolls

Board Member

With over 20 years on ICN Victoria's board, Russell has an extensive history in the heavy resource engineering industry. As a professional Mechanical Engineer, Russell operated at one of the oldest Australian engineering companies, Jaques Limited. Another business Russell was involved at is Clyde Industries Limited, with export operations primarily to Asia, North and South America and South Africa. The focus on local content and strengthening our supply chain has been the core reason for Russell's involvement with ICN Victoria for over two decades.





# Executive team



## Dianne Smith

Chief Executive Officer

Dianne has been the CEO of ICN Victoria since November 2020. Prior to this, she was Chief Executive of the Melbourne Chamber of Commerce, and Chief Executive of the Victoria Tourism Industry Council. She is also the Deputy Chair of Puffing Billy Railway. Dianne is passionate about supporting local businesses and community, especially in regional areas, and has had extensive experience in the tourism and events sector.



## Grant Jennings

Customer Products and Services Executive Manager

Grant is the Customer Products and Services Executive Manager with ICN Victoria, having commenced as a regional Industry Adviser. He has extensive background in manufacturing within the construction, technology and medical device sectors. Grant has a genuine passion for Australian manufacturing and the opportunities it provides for innovation and economic growth.



## Tariro Makwasha

Customer Strategy and Development Executive Manager

Tariro Makwasha is a strategic leader with a proven track record of success in corporate strategy, organisational transformation, and team development. She is passionate about customer-centered growth, innovation and building relationships. She has over 15 years of experience in strategy, economics, and public policy. Tariro is an expert in translating data and technical findings into actionable insights. She is committed to using her expertise to solve complex challenges with innovative solutions and positively impact the world.



## Kristan Dooley

Governance, Marketing and Systems Executive Manager

Kristan leads our corporate services department including governance; digital platforms and projects; human resources, administration and finance; and marketing, communications and events. Throughout her career in the Royal Australian Navy, the Department of Foreign Affairs and Trade, Austrade and the not-for-profit sector she has worked in a variety of challenging and interesting roles focused on business operations and business development both in Australia and overseas.

# Statutory Report



# Directors' Report

INDUSTRY CAPABILITY NETWORK (VICTORIA) LIMITED

ABN: 20 007 058 120

Your Directors present their report on Industry Capability Network (Victoria) Limited, the "Company", for the year ended 30 June 2023.

## Directors names

The following persons were Directors in office during or since the end of the year:

- » T C H Piper AM (Chairman)
- » B M Davis (Deputy Chairman) (resigned 26 April 2023)
- » R J Rolls
- » G A Sparkes AM
- » T Mavromatis
- » A B Printz
- » P Guerra

The Directors have been in office since the start of the year to the date of this report unless otherwise stated.

## Observers

N Fitzgerald and J Barnett representing the Victorian Government through the Department of Jobs, Skills, Industry and Regions, attended meetings of the Directors as Board observers.

## Company limited by guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. Accordingly there are no shares on issue.

## Principal activities

The principal objectives and activities of the Company during the year consisted of the long term and short term stimulation of economic activity in Victoria and Australia by:

- a) identifying imports that could be replaced by local production and promoting such opportunities to bidders and contractors on public and/or private projects through the ICN Gateway portal and industry events;;
- b) monitoring opportunities both locally and overseas and through its technical expertise matching Australian industry capability with the requirements of such opportunities;
- c) forging closer links between local companies and other organisations in their purchases and supply of goods and services; and
- d) increasing the awareness of the capabilities of local supplier companies and their organisations
- e) capability research and analysis
- f) assisting an inclusive ecosystem through Victoria's Social Procurement Framework

## Dividends – Industry Capability Network (Victoria) Limited

The Company's Memorandum of Association prohibits the distribution of income or property either directly or indirectly by way of dividend, bonus or otherwise to the members of the Company. No dividend, bonus or otherwise, was paid to the members of the Company either directly or indirectly.

## Review of operations

The net surplus of the Company for the financial year amounted to \$1,688.

The Company receives approximately 90% of its revenue from the Victorian Government. The Company signed a threeandahalfyear grant agreement with the Department of Jobs, Skills, Industry and Regions (previously Department of Jobs, Precincts and Regions) on 23rd December 2021 which expire on 30 June 2025. The balance of revenue is derived from commercial activities on a fee-for-service basis.

## Strategic objectives

The Company, under the direction of the Board, established a Corporate Strategy for the period 2021–2024. The 3–year goals identified in the Corporate Strategy are as follows:

- » By June 2024, in our quest to help local win, we will have continued to build and deliver products and services, guided by data, that have a customer-focused approach.
- » We will be the natural choice of Government to administer industry participation policies including Local Jobs First and the Social Procurement Framework – and we will have maximised knowledge and insights for customers.
- » We will have furthered our reach and impact in Victoria – and further afield in Australia and New Zealand – by elevating our brand, enhancing funding sources, and being well known and respected by Government, SMEs, and prime contractors.
- » As it's our people who will bring our strategy to life, we will have supported them by nurturing a purpose-driven, high-performance culture that enables them to make a meaningful contribution to helping local win.

The Company's long-term objectives are:

- » **People and Culture.** Foster an engaged, inclusive, and high-performance culture, team cohesion, and a safe workplace.
- » **Data, Systems, Products and Services.** Continue to build and deliver products and services, guided by data and systems for the benefit of our stakeholders.
- » **Governance and Financial Stability.** Ensure good governance, future sustainability, and exemplary execution of our contractual obligations.
- » **Reach and Impact.** Maximise the reach and awareness, footprint, and brand equity of ICN Victoria and the impact for our customers and stakeholders.

## ICN national network

The Company forms part of a national network of ICN Offices operating in every state and territory, as well as in New Zealand. It should be noted that New Zealand has not taken up a licence renewal since 2015/16. Progress reports on ICN National activities are circulated on a quarterly basis.



## Regional offices

ICN Victoria maintains a presence in Geelong, Bendigo, Shepparton, Gippsland and Ballarat regions.

## Key performance measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks including customer satisfaction, grant agreement performance and financial viability. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether the Company's objectives are being achieved.

## Significant changes in state of affairs

There were no significant changes in the Company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

## Events since the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## Likely developments and expected results of operations

The Company will undergo a lapsing grant review with DJSIR in the second half of 2024.

## Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

## Information on directors

Directors	Qualifications and Experience
<b>Mr. T C H Piper AM</b>	Chairperson Director (appointed 19/02/2004) Victorian Director of the Australian Industry Group LL. B, MBA Member of the Remuneration Committee
<b>Mr. B M Davis</b>	Deputy Chairperson Director (appointed 12/10/2017) Secretary, AWU Victorian Branch Member of the Remuneration Committee
<b>Mr. R J Rolls</b>	Director (appointed 18/02/1999) Provides executive management services to a range of Industrial and Commercial Corporations BEng, M Admin, FIEAust Chair of the Audit Committee
<b>Dr. G A Sparkes AM</b>	Director (appointed 09/04/2014) Commissioner for Environmental Sustainability, Victoria Commissioner of the Victorian Building Authority Board Director and Trustee of the Royal Children's Hospital Foundation Director Heath Industries (Tas) Pty Ltd.
<b>Ms. A B Printz</b>	Director (appointed 17/10/2018) General Manager - Victoria, Engineers Australia BEng, BCom, MEngSc, FIEAust, EngExec, CPEng, NER Member of the Remuneration Committee
<b>Mr. T Mavromatis</b>	Director (appointed 27/08/18) Secretary, AMWU Victorian Branch
<b>Mr. P Guerra</b>	Director (appointed 03/11/2021) Chief Executive, Victorian Chamber of Commerce and Industry BEng (Electronic), Graduate Diploma of Management



Meetings of directors

Directors	Directors' Meetings	
	Number eligible to attend	Number attended
T C H Piper AM	6	5
B M Davis	5	5
R J Rolls	6	5
G A Sparkes AM	6	5
T Mavromatis	6	3
A B Printz	6	6
P Guerra	6	5

Audit committee

The Audit Committee consists of the following committee members:

R J Rolls (Director)  
D Smith (CEO)  
K Dooley (Executive Manager, Governance, Marketing and Systems and Company Secretary)

The Audit Committee has the appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industry in which the Company operates.

The main responsibilities of the audit committee are to:

- » Review, assess and approve the budgets for the subsequent years of operations;
- » Review, assess and approve the annual financial statements;
- » Assist the Board in reviewing the effectiveness of the organisation's internal control environment covering:
  - Reliability of financial reporting
  - Compliance with applicable laws and regulations
- » Recommend to the Board the appointment, removal and remuneration of the external auditors and review the terms of their engagement, the scope and quality of the audit and assess performance;
- » Consider the independence and competence of the external auditor on an ongoing basis;
- » Report to the Board on matters relevant to the committee's role and responsibilities.

Insurance of officers

During the financial year, the Company paid a premium of \$9,484 (2022: \$13,353) to insure the Directors and officers of the Company.

The liabilities insured are legal costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

Auditor's Independence Declaration

INDUSTRY CAPABILITY NETWORK (VICTORIA) LIMITED  
ABN: 20 007 058 120

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Signed on behalf of the board of Directors.

Director: T C H Piper AM

Director: R J Rolls

Dated this 27 day of September 2023

INDUSTRY CAPABILITY NETWORK (VICTORIA) LIMITED  
ABN: 20 007 058 120

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF ICN (VICTORIA) LIMITED

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the Corporations Act 2001; and

(ii) no contraventions of APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

K L BYRNE  
Partner

PITCHER PARTNERS  
Melbourne



# Financial Statements

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Revenue and other income</b>			
Revenue from contracts with customers	3	402,472	158,357
Other revenue	4	<u>6,726,357</u>	<u>6,099,970</u>
		<u>7,128,829</u>	<u>6,258,327</u>
<b>Less: expenses</b>			
Employee benefits expense	5	(5,249,045)	(4,663,645)
Depreciation and amortisation expense	5	(759,445)	(454,915)
Events expense		(175,632)	(70,367)
Motor vehicle costs		(61,512)	(59,495)
Office costs		(86,786)	(203,259)
Communications expense		(174,321)	(178,689)
Finance costs	5	(31,964)	-
Travel expense		(85,519)	(55,913)
Other expenses		<u>(502,917)</u>	<u>(383,305)</u>
		<u>(7,127,141)</u>	<u>(6,069,588)</u>
<b>Profit for the year</b>		1,688	188,739
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income</b>		<u>1,688</u>	<u>188,739</u>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	7	2,570,776	6,497,176
Receivables	8	341,102	39,231
Other financial assets	9	3,560,050	-
Other assets	10	<u>71,764</u>	<u>42,328</u>
<b>Total current assets</b>		<u>6,543,692</u>	<u>6,578,735</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	255,628	408,738
Intangible assets	12	1,393,054	1,279,606
Lease assets	13	<u>807,459</u>	-
<b>Total non-current assets</b>		<u>2,456,141</u>	<u>1,688,344</u>
<b>Total assets</b>		<u>8,999,833</u>	<u>8,267,079</u>
<b>Current liabilities</b>			
Payables	14	192,555	283,896
Lease liabilities	13	147,779	-
Provisions	15	340,048	513,226
Contract liabilities	16	<u>2,668,991</u>	<u>2,492,000</u>
<b>Total current liabilities</b>		<u>3,349,373</u>	<u>3,289,122</u>
<b>Non-current liabilities</b>			
Lease liabilities	13	681,362	-
Provisions	15	<u>60,857</u>	<u>71,404</u>
<b>Total non-current liabilities</b>		<u>742,219</u>	<u>71,404</u>
<b>Total liabilities</b>		<u>4,091,592</u>	<u>3,360,526</u>
<b>Net assets</b>		<u>4,908,241</u>	<u>4,906,553</u>
<b>Equity</b>			
Retained earnings	17	<u>4,908,241</u>	<u>4,906,553</u>
<b>Total equity</b>		<u>4,908,241</u>	<u>4,906,553</u>



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Retained earnings	Total equity
	\$	\$
<b>Balance as at 1 July 2021</b>	4,717,814	4,717,814
Profit for the year	<u>188,739</u>	<u>188,739</u>
<b>Total comprehensive income for the year</b>	<u>188,739</u>	<u>188,739</u>
<b>Balance as at 30 June 2022</b>	<u>4,906,553</u>	<u>4,906,553</u>
<b>Balance as at 1 July 2022</b>	4,906,553	4,906,553
Profit for the year	<u>1,688</u>	<u>1,688</u>
<b>Total comprehensive income for the year</b>	<u>1,688</u>	<u>1,688</u>
<b>Balance as at 30 June 2023</b>	<u>4,908,241</u>	<u>4,908,241</u>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
<b>Cash flow from operating activities</b>			
Government grants (inclusive of goods and services tax)		7,533,618	5,587,120
Payments to suppliers and employees (inclusive of goods and services tax)		(7,325,108)	(6,438,650)
Interest received		155,205	13,206
Finance costs		<u>(31,964)</u>	-
<b>Net cash (used in) / provided by operating activities</b>		<u>331,751</u>	<u>(838,324)</u>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		105,033	194,467
Payment for property, plant and equipment		(45,100)	(452,631)
Payment for intangibles		(689,998)	(883,350)
Payments for short term fixed investments		<u>(3,560,050)</u>	-
<b>Net cash used in investing activities</b>		<u>(4,190,115)</u>	<u>(1,141,514)</u>
<b>Cash flow from financing activities</b>			
Repayment of leases		<u>(68,036)</u>	-
<b>Net cash provided by / (used in) financing activities</b>		<u>(68,036)</u>	-
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		6,497,176	8,477,014
Net (decrease) / increase in cash held		<u>(3,926,400)</u>	<u>(1,979,838)</u>
<b>Cash at end of financial year</b>	18(a)	<u>2,570,776</u>	<u>6,497,176</u>



## Notes to financial statements for the year ended 30 June 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The financial report covers Industry Capability Network (Victoria) Limited as an individual entity. Industry Capability Network (Victoria) Limited is a Company limited by guarantee, incorporated and domiciled in Australia. Industry Capability Network (Victoria) Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the Directors at the date of the Directors' report.

The following are the significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### a) Basis of preparation of the financial report

##### *Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

##### *Significant accounting estimates and judgements*

The preparation of the financial report requires the use of certain estimates and judgements in applying the Company's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

#### b) Revenue from contracts with customers

The Company recognises revenue under AASB 1058 or AASB 15 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) performance obligations are satisfied.

In other case, AASB 1058 applies when a not-for-profit entity enters into transactions, where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

##### *Consulting revenue*

Consulting revenue is recognised over time when a series of services have been provided to participants.

## Notes to financial statements for the year ended 30 June 2023

#### b) Revenue from contracts with customers (continued)

##### *Contract liabilities*

A contract liability represents the Company's obligation to provide future services under contractual arrangements that contain enforceable and sufficiently specific performance obligations for which the Company has received consideration (or an amount of consideration is due) in advance of those services being provided. Amounts recorded as contract liabilities are subsequently recognised as revenue as performance obligations are satisfied.

#### c) Other revenue and other income

##### *Government and other grants*

Government and other grants are received by the Company from the Victorian Government and other institutions in return for past or future compliance with certain conditions relating to the operating activities of the entity. Grant income is recognised in accordance with AASB 15 if the contract has sufficiently specific performance obligations. Grant income without sufficiently specific performance obligations is recognised under AASB 1058. Grant income for contracts with sufficiently specific performance obligations is recognised over time based on input method.

##### *Event income*

Revenue from organising and hosting events is recognised in the period in which the events are held.

##### *Interest*

Interest revenue is measured in accordance with the effective interest method.

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

#### d) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### e) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.



## Notes to financial statements for the year ended 30 June 2023

**e) Leases (Continued)***Lease assets*

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Company, and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

*Lease liabilities*

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

*Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

## Notes to financial statements for the year ended 30 June 2023

**f) Financial instruments***Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Classification of financial liabilities*

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at fair value through profit or loss (FVtPL), are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

*Trade and other receivables*

Trade and other receivables arise from the Company's transactions with its customers and are normally settled within 30 days.

Consistent with both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.



## Notes to financial statements for the year ended 30 June 2023

## g) Impairment of non-financial assets

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs of disposal and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

## h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## Notes to financial statements for the year ended 30 June 2023

## i) Property, plant and equipment

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

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Motor vehicles at cost	20%	Diminishing value
Furniture, fixtures and fittings at cost	20 - 33%	Straight line / Diminishing value

## j) Intangible assets

*IT software development costs*

Costs incurred in developing IT software are initially recognised as an asset, and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where the following criteria are met:

- » Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads;
- » Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use;
- » Costs incurred in configuring or customising SaaS arrangements can only be recognised as intangible assets if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangements to significantly customise the cloud-based software for the Company, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

## k) Provisions

Provisions are recognised when the Company 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.



## Notes to financial statements for the year ended 30 June 2023

**l) Employee benefits****(i) Short-term employee benefit obligations**

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

**(ii) Long-term employee benefit obligations**

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

**m) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**n) Rounding of amounts**

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest dollar.

## Notes to financial statements for the year ended 30 June 2023

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the process of applying the Company's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the Company's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

**(a) Revenue from contracts with customers**

The Company derives revenue and other income from a range of activities and sources, including revenue from the provision of services, and income from Government grants. In accordance with Australian Accounting Standards, the Company is required to determine whether it is appropriate to recognise revenue and other income in the financial year or to defer the recognition of revenue and other income until associated obligations and/or conditions (if any) are satisfied. In making this judgement, the Company considers the guidance outlined in AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and, in particular, whether the arrangement contains enforceable and sufficiently specific performance obligations. Where the Company identifies the existence of enforceable and sufficiently specific performance obligations the recognition of revenue and other income is deferred until the identified obligations are satisfied.



## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Revenue from contracts with customers		
Sale of goods	-	91,760
Rendering of services	<u>402,472</u>	<u>66,597</u>
	<u>402,472</u>	<u>158,357</u>
<b>NOTE 4: OTHER REVENUE AND OTHER INCOME</b>		
<i>Other revenue</i>		
Interest income	155,205	13,206
Government subsidies and support revenue	6,382,420	5,988,250
Other revenue	<u>188,732</u>	<u>48,440</u>
	<u>6,726,357</u>	<u>6,049,896</u>
<i>Other Income</i>		
Profit on sale of property, plant and equipment	-	<u>50,074</u>
	<u>6,726,357</u>	<u>6,099,970</u>
<b>NOTE 5: OPERATING PROFIT</b>		
Profit before income tax has been determined after:		
Net profit on sale of property, plant and equipment	-	50,074
Finance costs	31,964	-
Depreciation		
- motor vehicles	87,601	74,168
- furniture and fittings	<u>5,576</u>	<u>22,656</u>
	93,177	96,824
Amortisation of non-current assets		
- leased assets	89,718	-
- software	<u>576,550</u>	<u>358,091</u>
	666,268	358,091
Employee benefits:		
- Other employee benefits	5,249,045	4,663,645
Net loss on disposal/revaluation of non current assets	9,880	-

## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>NOTE 6: REMUNERATION OF AUDITORS</b>		
Remuneration of auditors for:		
Pitcher Partners (Melbourne)		
<i>Audit and assurance services</i>		
- Audit of the financial report	26,250	29,000
- Grant acquittal	3,000	-
Other non-audit services		
- Financial statements preparation	<u>4,700</u>	<u>4,500</u>
Total remuneration of auditors	<u>33,950</u>	<u>33,500</u>
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	1,861,404	1,472,369
Cash on deposit	<u>709,372</u>	<u>5,024,807</u>
	<u>2,570,776</u>	<u>6,497,176</u>
<b>NOTE 8: RECEIVABLES</b>		
<b>CURRENT</b>		
Receivables from contracts with customers	239,130	29,315
Other receivables	<u>101,972</u>	<u>9,916</u>
	<u>341,102</u>	<u>39,231</u>
<b>NOTE 9: OTHER FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Cash on deposits	<u>3,560,050</u>	-
<b>NOTE 10: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	<u>71,764</u>	<u>42,328</u>



## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Motor vehicles at cost	365,861	479,120
Accumulated depreciation	<u>(115,300)</u>	<u>(74,898)</u>
	250,561	404,222
Furniture, fixtures and fittings at cost	5,273	87,112
Accumulated depreciation	<u>(206)</u>	<u>(82,596)</u>
	5,067	4,516
Total plant and equipment	<u>255,628</u>	<u>408,738</u>
Total property, plant and equipment	<u>255,628</u>	<u>408,738</u>
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Motor vehicles</i>		
Opening carrying amount	404,222	165,278
Additions	38,973	452,631
Disposals	(105,033)	(139,519)
Depreciation expense	<u>(87,601)</u>	<u>(74,168)</u>
Closing carrying amount	<u>250,561</u>	<u>404,222</u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	4,516	27,172
Additions	6,127	-
Depreciation expense	<u>(5,576)</u>	<u>(22,656)</u>
Closing carrying amount	<u>5,067</u>	<u>4,516</u>
<i>Total property, plant and equipment</i>		
Carrying amount at 1 July	408,738	197,324
Additions	45,100	452,631
Disposals	(105,033)	(144,393)
Depreciation expense	<u>(93,177)</u>	<u>(96,824)</u>
Carrying amount at 30 June	<u>255,628</u>	<u>408,738</u>

## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>NOTE 12: INTANGIBLE ASSETS</b>		
Software at cost	2,317,778	1,952,370
Accumulated amortisation and impairment	<u>(924,724)</u>	<u>(672,764)</u>
	<u>1,393,054</u>	<u>1,279,606</u>
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<i>Software at cost</i>		
Opening balance	1,279,606	754,347
Additions	689,998	883,350
Amortisation	<u>(576,550)</u>	<u>(358,091)</u>
Closing balance	<u>1,393,054</u>	<u>1,279,606</u>



## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>NOTE 13: LEASE ASSETS AND LEASE LIABILITIES</b>		
<b>(a) Lease assets</b>		
Buildings		
Under lease	897,177	-
Accumulated depreciation	(89,718)	-
	<u>807,459</u>	-
Total carrying amount of lease assets	<u>807,459</u>	-
<b>Reconciliations</b>		
Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:		
<i>Buildings</i>		
Opening carrying amount	-	-
Additions	897,177	-
Depreciation	(89,718)	-
Closing carrying amount	<u>807,459</u>	-
<b>(b) Lease liabilities</b>		
CURRENT		
Office lease	<u>147,779</u>	-
NON CURRENT		
Office lease	<u>681,362</u>	-
Total carrying amount of lease liabilities	<u>829,141</u>	-
<b>NOTE 14: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	93,995	244,408
Sundry creditors and accruals	<u>98,560</u>	<u>39,488</u>
	<u>192,555</u>	<u>283,896</u>

## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
<b>NOTE 15: PROVISIONS</b>		
CURRENT		
Employee benefits	340,048	463,226
Make good provision	-	<u>50,000</u>
	<u>340,048</u>	<u>513,226</u>
NON CURRENT		
Employee benefits	<u>60,857</u>	<u>71,404</u>
<b>NOTE 16: CONTRACT LIABILITIES</b>		
CURRENT		
Deferred income	<u>2,668,991</u>	<u>2,492,000</u>
A contract liability represents the Company's obligation to provide future services under contractual arrangements that contain enforceable and sufficiently specific performance obligations for which the Company has received consideration (or an amount of consideration is due) in advance of those services being provided. Amounts recorded as contract liabilities are subsequently recognised as revenue as performance obligations are satisfied.		
Amounts recognised as contract liabilities by the Company represent government funding received in advance from the Department of Jobs, Precincts and Regions but not yet recognised as income.		
<b>NOTE 17: RETAINED EARNINGS</b>		
Retained earnings at beginning of year	4,906,553	4,717,814
Net profit	<u>1,688</u>	<u>188,739</u>
	<u>4,908,241</u>	<u>4,906,553</u>



## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$

**NOTE 18: 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 at bank	1,861,404	1,472,369
At call deposits with financial institutions	<u>709,372</u>	<u>5,024,807</u>
	<u><u>2,570,776</u></u>	<u><u>6,497,176</u></u>

At call deposits with financial institutions earned interest income of \$155,205 (2022: \$13,206).

**NOTE 19: GOVERNMENT FUNDING/ECONOMIC DEPENDENCY**

*The Company is economically dependent on the Victorian Government for the majority of its grant income. The period of the funding agreement is from 1 January 2022 to 30 June 2025.*

	2023	2022
	\$	\$

**NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION**

Total compensation paid or payable to key management personnel	<u><u>833,592</u></u>	<u><u>638,021</u></u>
--	-----------------------	-----------------------

## Notes to financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$

**NOTE 21: RELATED PARTY TRANSACTIONS****(a) Transactions with key management personnel of the entity or its parent and their personally related entities**

Transactions with related parties were entered into during the financial year with the following key management personnel:

- » Tim Piper (Director) is the Victorian Director of the Australian Industry Group; and
- » Paul Guerra (Director) is the CEO of the Victorian Chamber of Commerce and Industry.

These transactions were at arm's length and related to membership fees and professional services performed.

Related party transactions	<u><u>6,157</u></u>	<u><u>24,332</u></u>
----------------------------	---------------------	----------------------

**NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the Company.

**NOTE 23: COMPANY DETAILS**

The registered office of the Company is:


ICN (Victoria) Limited  
Lvl 23, 370 Little Lonsdale Street  
Melbourne VIC 3000

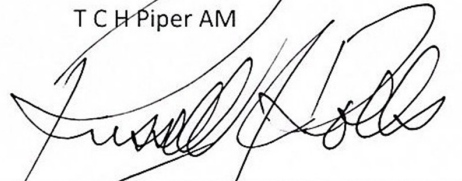
## Directors' Declaration

The Directors of the Company declare that:

1. In the Directors' opinion, the financial statements and notes thereto, as set out on pages 9 – 28, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:   
T C H Piper AM

Director:   
R J Rolls

Dated this 27<sup>th</sup> day of September

# Independent Auditor's Report

## Independent auditor's report to the members of ICN (Victoria) Limited

### Opinion

We have audited the financial report of ICN (Victoria) Limited, "the Company", which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of ICN (Victoria) Limited, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

### Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- » Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**K L BYRNE**

Partner



**Pitcher Partners**

Melbourne

Date: 27 September 2023





*In memory of our valued colleague, Garry Holding, who passionately supported ICN Victoria clients in his role as Industry Adviser for the Ballarat region. Garry sadly passed away on 10 July 2023 after a long illness, however his legacy continues.*





