Annual financial report

for the year ended 30 June 2017

Committee for Economic Development of Australia
ABN 49 008 600 922

committee for economic development of australia

Contents

Directors' report

Your directors have pleasure in presenting their report on the company for the financial year ended 30 June 2017.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Paul McClintock AO	Chairman
Angus Armour	
John Edwards	
Patricia Faulkner AO	
John Langoulant AO	
Rodney Maddock	
Miriam Silva	
Catherine Sinclair	
Diane Smith-Gander	
Stephen Spargo AM	
Andrew Stevens	
Ian Watt AC	
Stephen Martin	Former Chief Executive (ceased 7 April 2017)

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

Company secretary

The following person held the position of company secretary at the date of the report: David Thompson FCA.

Principal activities

The company's principal activity is as an independent, apolitical organisation made up of business leaders, academics and others who have an interest in, and commitment to, Australia's economic and social development. CEDA undertakes objective research and discussion into issues affecting Australia's growth.

While CEDA emphasises productivity and efficiency issues, which are vital for our future development, it also recognises the need to consider the equity dimensions of government policy.

CEDA's short and long term objectives remain the achievement of better policy outcomes for the Australian population through a range of economic research and advocacy.

To achieve these objectives, the company strives to attract and retain quality staff who can work in partnership with the directors, board of governors and trustees in support of CEDA's projects and other initiatives.

Staff strive to consistently meet best practice in all that they do and provide clear expectations of professional accountabilities and responsibilities to all stakeholders. KPIs set aims to ensure goal congruence with the company's objectives and are measured against audited results.

Directors' report

Information on directors:

Paul McClintock AO	-	Chair, CEDA
	-	Chair, Broadspectrum Pty Ltd
	-	Chair, Myer Holdings Ltd
	-	Chair, NSW Ports
	-	Chair, I-MED Network Radiology
	-	Chair, O'Connell Street Associates Pty Limited
	-	Director, St Vincent's Health Australia Limited
	-	Director, The George Institute for Global Health
Angus Armour	-	Principal Adviser, Business Council of Australia
	-	Board Member, European Australian Business Council
	-	Member, Advisory & Decision Committee, Mohammed Bin Rashid Innovation Fund of the UAE Government
John Edwards	-	Visiting Fellow, Lowy Institute for International Policy
	-	Adjunct Professor, John Curtin Institute of Public Policy, Curtin Business School, Curtin University
Patricia Faulkner AO	-	Chair, Jesuit Social Services
	-	Chair, Telecommunications Industry Ombudsman
	-	Deputy Chair, St Vincent's Healthcare, Australia
	-	Committee Member, Melbourne Racing Club
	-	Board Member, Melbourne Theatre Company
	-	Board Member, Catholic Professional Standards
John Langoulant AO	-	Chair, Committee for Perth
	-	Chair, Westpac Group Western Australia
	-	Chair, Government Employees Superannuation Board
	-	Chair, Dampier to Bunbury Natural Gas Pipeline
	-	Chair, Pawsey Supercomputing Centre
	-	Chair, Telethon Kids Institute
	-	Chair, Power and Water Corporation (Darwin)
	-	Board Member, National Disability Insurance Agency
	-	Board Member, ARTrinsic Inc.
	-	Consultant, Curtin University
	-	Consultant, Mitsubishi Corporation
Rodney Maddock	-	Professor, Monash Business School, Monash University
	-	Vice Chancellor's Fellow and Professor, Victoria University
Miriam Silva	-	Director, TAFE South Australia.
	-	Director, South Australian Film Corporation
	-	Director, Islamic Museum of Australia
	-	Chair, Malek Fahd Islamic Schools Limited
	-	Member, University of South Australia Council
	-	Member, South Australian Multicultural and Ethnic Affairs Commission
	-	Chair, Premier's Council for Women (SA)
	-	Committee Member, Muslim Women's Association of South Australia
Catherine Sinclair	-	Director, The Consultancy Bureau Pty Ltd
	-	Chair, Residential Tenancies Authority (RTA)
	-	Councillor, The Royal National Agricultural and Industrial Association of Queensland

Directors' report

Information on directors (continued):

Diane Smith-Gander	-	Chair, Safe Work Australia
	-	Chair, Asbestos Safety and Eradication Council
	-	Director, AGL Energy Limited
	-	Director, Wesfarmers Limited
	-	Director, Keystart Limited
	-	Board Member, Henry Davis York
	-	Adjunct Professor in Corporate Governance, University of Western Australia
Stephen Spargo AM	-	Director, Stanbury Consultants Pty Ltd
	-	Director, The Florey Institute for Neuroscience and Mental Health
	-	Director, Cormack Foundation Pty Ltd
	-	Director, Foundation for Australia-Japan Studies
	-	Member, Asia Society AustralAsia Centre Advisory Board
	-	President, Golf Victoria Ltd
Andrew Stevens	-	Chair, Advanced Manufacturing Growth Centre Limited
	-	Director, MYOB Group Limited
	-	Director, Thorn Group Australia
	-	Director, Greater Western Sydney Football Club Limited
	-	Director, Stockland Corporation Limited
	-	Member, Advisory Executive, UNSW Business School
	-	Member, Male Champions of Change
Ian Watt AC	-	Chair, BAE Systems Australia
	-	Chair, National Innovation and Science Agenda Implementation Committee
	-	Chair, International Centre for Democratic Partnerships
	-	Chair, SMART Infrastructure Facility Advisory Council, University of Wollongong
	-	Chair, Prader-Willi Research Foundation Australia
	-	Chair, International Centre for Democratic Partnerships
	-	Director, Citigroup Pty Ltd
	-	Director, Smartgroup Corporation Limited
	-	Director, O'Connell Street Associates Pty Ltd
	-	Senior Adviser, Flagstaff Partners Pty Ltd
	-	Board Member, Grattan Institute
	-	Chair, Public Policy Committee, Grattan Institute
	-	Member, Male Champions of Change
	-	Member, Melbourne School of Governance Advisory Board, University of Melbourne.
Stephen Martin	-	Former Chief Executive, CEDA (ceased 7 April 2017)
	-	Chair, Bank of China (Australia) Ltd
	-	Chair, Board of Governors, Global Science and Technology Forum, Singapore
	-	Chair, Men of League Foundation
	-	Visiting Professorial Fellow, Sydney Business School, University of Wollongong
	-	Committee Member, Men of League Foundation (Victorian Chapter)

Directors' report

Meetings of directors:

	Directors' meetings	
	Number attended	**Number eligible**
Paul McClintock AO	5	5
Angus Armour	4	5
John Edwards	5	5
Patricia Faulkner AO	3	5
John Langoulant AO	3	5
Rodney Maddock	5	5
Miriam Silva	4	5
Catherine Sinclair	4	5
Diane Smith-Gander	4	5
Stephen Spargo AM	5	5
Andrew Stevens	4	5
Ian Watt AC	4	5
Stephen Martin	4	4

CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of winding up each member is liable for a sum not exceeding $500 towards meeting any outstanding obligations of the entity. At 30 June 2017, the collective liability of members was $382,500 (2016: $375,000).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 27, and forms part of the directors' report.

Signed at Melbourne, 4 September 2017 in accordance with a resolution of the Board of Directors.

DIRECTOR

Paul McClintock AO
Chairman

Statement of profit or loss and other comprehensive income

For year ended 30 June 2017

	NOTE	2017 $	2016 $
Revenue	2 (a)	**12,717,464**	11,750,301
Depreciation and amortisation expense	3	**(127,440)**	(205,392)
Employee benefits expense		**(4,978,347)**	(4,939,348)
Lease expense	3	**(687,740)**	(711,427)
Research and related conferences and briefings expense		**(3,150,479)**	(2,908,514)
Other operating expenses		**(1,448,340)**	(1,422,845)
Net result from operations		**2,325,118**	1,562,775
Finance income	2 (b)	**212,729**	198,326
Profit/(loss) attributable to entity		**2,537,847**	1,761,101
Other comprehensive income		**-**	-
Total comprehensive income for the year		**2,537,847**	1,761,101

Statement of financial position

As at 30 June 2017

	NOTE	2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	4	**4,671,458**	9,113,648
Trade and other receivables	5	**633,799**	613,007
Other financial assets	13	**695,251**	-
Other current assets	6	**361,909**	513,124
TOTAL CURRENT ASSETS		**6,362,417**	10,239,779
NON CURRENT ASSETS			
Plant and equipment and leasehold improvements	7	**167,101**	179,096
Intangibles	8	**121,728**	1031
Other financial assets	13	**6,352,527**	-
TOTAL NON CURRENT ASSETS		**6,641,356**	180,127
TOTAL ASSETS		**13,003,773**	10,419,906
CURRENT LIABILITIES			
Trade and other payables	9	**1,101,734**	1,335,504
Short-term provisions	10	**432,895**	296,100
Subscriptions and income in advance	11	**3,600,853**	3,300,989
TOTAL CURRENT LIABILITIES		**5,135,482**	4,932,593
NON CURRENT LIABILITIES			
Long-term provisions	10	**271,309**	428,178
TOTAL NON CURRENT LIABILITIES		**271,309**	428,178
TOTAL LIABILITIES		**5,406,791**	5,360,771
NET ASSETS		**7,596,982**	5,059,135
EQUITY			
Retained earnings		**7,596,982**	5,059,135
TOTAL EQUITY		**7,596,982**	5,059,135

The accompanying notes form part of these Financial Statements.

Statement of changes in equity

For year ended 30 June 2017

	Retained earnings $	Total equity $
Balance at 30 June 2015	**3,298,034**	**3,298,034**
Total comprehensive income	1,761,101	1,761,101
Balance at 30 June 2016	**5,059,135**	**5,059,135**
Total comprehensive income	2,537,847	2,537,847
Balance at 30 June 2017	**7,596,982**	**7,596,982**

Statement of cash flows

For year ended 30 June 2017

	NOTE	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		**4,356,419**	3,720,450
Research and related conferences and briefings		**8,583,606**	7,912,646
Payments to suppliers and employees		**(10,367,536)**	(9,974,368)
Interest received		**164,951**	198,326
Sundry income		**55,677**	32,261
NET CASH PROVIDED BY OPERATING ACTIVITIES	**14(b)**	**2,793,117**	1,889,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(7,000,000)**	-
Proceeds from sale of plant and equipment		**835**	-
Purchase of plant, equipment and intangibles		**(236,142)**	(110,025)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(7,235,307)**	(110,025)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		**-**	-
NET INCREASE/(DECREASE) IN CASH HELD		**(4,442,190)**	1,779,290
CASH AT BEGINNING OF YEAR	14(a)	**9,113,648**	7,334,358
CASH AT END OF YEAR	**14(a)**	**4,671,458**	9,113,648

Notes to the financial statements

For year ended 30 June 2017

Note 1 **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

The financial report covers the Committee for Economic Development of Australia as an individual entity. Committee for Economic Development of Australia is a company limited by guarantee, incorporated and domiciled in Australia.

A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the entity applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Basis of preparation:

The accounting policies set out below have been consistently applied to all years presented. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New, revised or amending accounting standards and interpretations adopted:

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial position of the company.

Early adoption of standards

The company has elected to apply AASB 9 Financial Instruments as issued in December 2014 for the period beginning 1 July 2016. The early adoption has not had any significant impact on the financial assets and financial liabilities as the entity holds trade receivables and trade payables accounted for at amortised costs at beginning of this year. The early adoption has necessitated the revision of related accounting policies as detailed in these notes.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company:

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and other than where noted elsewhere in the financial report, have not been adopted early by the company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

The company is in the process of considering the impact of these new standards, amendments and interpretations.

Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements

For year ended 30 June 2017

Accounting policies:

a) Plant and equipment, leasehold improvements

Plant and equipment and leasehold improvements are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment and leasehold improvements is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, but excluding ordinary plant and equipment, are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Any item of less than $1000 has been allocated into a low value pool. The straight-line method of depreciation is used. Leasehold improvements and estimated make good costs are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	20.0%
Computer and associated equipment	33.3%
Leasehold improvements	20.0% – 50.0%
Estimated make good costs	20.0% – 50.0%
Software	33.3%

b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

c) Impairment of assets

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Notes to the financial statements

For year ended 30 June 2017

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the company on terms that the company would not consider otherwise, and indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers or insurers in the company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets measured at amortised cost

The company considers evidence of impairment for financial assets measured at amortised cost (trade and other receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the company uses historical trends of probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted to the assets original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against trade and other receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment losses are recognised in the profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

d) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

e) 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.

Notes to the financial statements

For year ended 30 June 2017

f) Cash and cash equivalents

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

g) Revenue

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

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Subscription revenue is progressively recognised over the term of the subscription with the unexpired portion treated as subscriptions income in advance.

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

h) Finance income

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, dividends, unit trust distributions and imputation credits on funds invested.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

j) Financial instruments

AASB 9 replaces AASB 139 Financial Instruments recognition and measurement and it requires financial assets to be classified into three measurement categories: those measured at fair value through the profit and loss, those measured at amortised cost and those measured at fair value through other comprehensive income. The determination is made at initial recognition or on transition to AASB 9.

Investments and other financial assets

Accounting policies applied from 1 July 2016

1) Classification

From 1 July 2016, the company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the financial statements

For year ended 30 June 2017

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. See Note 13 for details about each type of financial asset.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

2) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The company classifies its debt instruments as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in revenue.

Equity instruments

The company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in revenue in the statement of profit or loss as applicable. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

3) Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note1(c) details how the company determines whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

<u>Non-derivative financial liabilities</u>

All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument.

Notes to the financial statements

For year ended 30 June 2017

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise of trade and other payables.

k) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Key estimates – impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements – doubtful debts provision

Based on best available current information and historical knowledge a doubtful debt provision of $10,000 has been made at 30 June 2017 (2016: $10,000).

l) Income tax

The company is exempt from income tax. Accordingly, no income tax expense, deferred or otherwise, or income tax payable amounts are recorded in the financial statements. The company is, however, entitled to a refund of dividend imputation credits which arise from the company's investments.

m) Going concern

The directors have prepared these accounts on a going concern basis.

The financial report was authorised for issue on 4 September 2017 by the Board of Directors.

n) Determination of fair values

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment in equity and debt securities

The fair value of financial assets at fair value through profit and loss is determined by reference to their quoted bid price at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Notes to the financial statements

For year ended 30 June 2017

o) Financial risk management

Overview

The company has exposure to credit risk, liquidity risk, market risk and operational risk from its use of financial instruments.

This note presents information about the company's exposure to these risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board has established an Audit and Risk Committee, which is responsible for developing and monitoring risk management policies. The committees report regularly to the Board of Directors on their activities.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its obligations. The company limits its exposure to credit risk by only investing in liquid securities.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the company's customer base, including default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Notes to the financial statements

For year ended 30 June 2017

Investment management

The company holds a portfolio of investments. All investment transactions are carried out within the guidelines set by the Audit and Risk Committee. Generally, the company seeks to apply a defined percentage of its investment portfolio to a specific investment risk profile in its investments in order to manage volatility in the profit and loss.

The primary goal of the company's investment strategy is to evaluate its portfolio on a “returns basis”. The Audit and Risk Committee is assisted by external advisors in this regard. In accordance with this strategy, investments are designated through the profit and loss because their performance is actively monitored and they are managed on a fair value basis.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will vary because of changes in market interest rates. The company manages this by ensuring that its exposure to changes in interest rates is limited to on-call investments.

Capital management

The company is a company limited by guarantee and therefore the company is not subject to any externally imposed capital requirements.

Notes to the financial statements

For year ended 30 June 2017

		2017 $	2016 $
Note 2 (a)	**REVENUE**		
	Operating activities		
	Subscriptions	4,056,555	3,905,456
	Research and related conferences and briefings	8,604,398	7,812,584
		12,660,953	**11,718,040**
	Non operating activities		
	Sundry income	56,511	32,261
	Total revenue	**12,717,464**	**11,750,301**
Note 2 (b)	**FINANCE INCOME**		
	Interest - other persons	164,951	198,326
	Gains/(losses) on investments	47,778	-
	Total finance income	**212,729**	**198,326**

Note 3 **PROFIT FROM ORDINARY ACTIVITIES**

Profit from ordinary activities has been determined after:

Expenses:

	2017 $	2016 $
Depreciation of plant and equipment	61,460	49,978
Amortisation	65,980	155,414
Doubtful debts - trade receivables	5050	6238
Net (gain)/loss on disposal plant and equipment	(835)	-
Net (gain)/loss on disposal intangibles	-	95,910
Rental expense on operating leases		
Minimum lease payments	687,740	711,427
Remuneration of the auditors	26,400	25,500

Note 4 **CASH AND CASH EQUIVALENTS**

	2017 $	2016 $
Cash at bank and in hand	171,540	587,354
Short term bank deposits	4,499,918	8,526,294
	4,671,458	**9,113,648**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position in Note 14.

Notes to the financial statements

For year ended 30 June 2017

	2017 $	2016 $
Note 5 **TRADE AND OTHER RECEIVABLES**		
Trade debtors	490,245	476,380
GST input credits	153,554	146,627
Provision for doubtful debts	(10,000)	(10,000)
	633,799	**613,007**

Provision for doubtful debts	**Total $**
Opening balance at 1 July 2016	10,000
Additional provisions	5050
Provisions written back	(4423)
Amounts used	(627)
Balance at 30 June 2017	**10,000**

Provision for impairment of receivables

Current trade and term receivables are non-interest bearing and generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

Note 5(a) **Impaired trade receivables**

As at 30 June 2017 current trade receivables with a nominal value of $10,000 (2016 : $10,000) were impaired. The amount of the provision was $10,000 (2016 : $10,000). The individually impaired receivables mainly relate to event registrations from entities, which are in unexpectedly difficult economic situations.
The ageing of these receivables is as follows:

	2017 $	2016 $
One to three months	-	-
Three to six months	-	6373
Over six months	10,000	3627
	10,000	**10,000**

Note 5(b) **Past due but not impaired**

As at 30 June 2017, trade receivables of $201,075 (2016: $161,091) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 $	2016 $
Up to three months	176,615	128,129
Three to six months	24,460	32,962
	201,075	**161,091**

	2017 $	2016 $
Note 6 **OTHER CURRENT ASSETS**		
Prepayments	361,909	513,124
	361,909	**513,124**

Notes to the financial statements

For year ended 30 June 2017

		2017 $	2016 $
Note 7	**PLANT AND EQUIPMENT, LEASEHOLD IMPROVEMENTS**		
	Plant and equipment - at cost	628,345	589,715
	Less: accumulated depreciation	(510,665)	(458,527)
	TOTAL PLANT & EQUIPMENT	**117,680**	**131,188**
	Leasehold improvements and makegoods	1,031,603	966,803
	Less: accumulated depreciation	(982,182)	(918,895)
	TOTAL LEASEHOLD IMPROVEMENTS	**49,421**	**47,908**
	TOTAL PLANT AND EQUIPMENT AND LEASEHOLD IMPROVEMENT	**167,101**	**179,096**

Note 7(a) **Movements in carrying amounts**

Movements in the carrying amounts of each class of non-current asset between the beginning and the end of the current financial year.

	Plant and equipment $	Leasehold improvement $	Makegood Melb lease $	Makegood Bris lease $	TOTAL $
Balance at the beginning of the year	131,188	27,908	10,000	10,000	179,096
Additions	47,952	64,800	-	-	112,752
Assets disposed/scrapped					-
Depreciation and amortisation expense	(61,460)	(53,587)	(5700)	(4000)	(124,747)
Carrying amount as at 30 June 2017	**117,680**	**39,121**	**4300**	**6000**	**167,101**

Notes to the financial statements

For year ended 30 June 2017

		2017 $	2016 $
Note 8	**INTANGIBLES**		
	Software	328,481	205,091
	Less: accumulated amortisation	(206,753)	(204,060)
		121,728	**1031**

Note 8(a) **Movements in carrying amounts**

Movements in the carrying amount of intangibles between the beginning and the end of the current financial year.

	TOTAL $
Balance at the beginning of the year	1031
Additions	123,390
Assets disposed/scrapped	-
Amortisation expense	(2693)
Carrying amount as at 30 June 2017	**121,728**

Note 9 **TRADE AND OTHER PAYABLES**

	2017 $	2016 $
Trade payables	345,881	464,296
Sundry payables and accrued expenses	341,290	536,526
GST collected	414,563	334,682
	1,101,734	**1,335,504**

Note 10 **PROVISIONS**

	2017 $	2016 $
Current	432,895	296,100
Non current	271,309	428,178
	704,204	**724,278**

	Employee benefits $	Makegood Melbourne lease $	Makegood Sydney lease $	Makegood Brisbane lease $	Total $
Opening balance at 1 July 2016	453,278	120,000	106,000	45,000	724,278
Additional provisions	327,247	-	-	-	327,247
Amounts used	(347,321)	-	-	-	(347,321)
Balance at 30 June 2017	**433,204**	**120,000**	**106,000**	**45,000**	**704,204**

Notes to the financial statements

For year ended 30 June 2017

Note 10 **PROVISIONS (continued)**

Make good provisions

A provision has been recognised for lease commitments to settle the make good obligations at the conclusion of the respective leases.

Provision for long term employee benefits

A provision has been recognised for non-current employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1 to this report.

Note 11 **SUBSCRIPTIONS AND INCOME IN ADVANCE**

	2017 $	2016 $
Subscriptions in advance	2,143,671	2,033,345
Sponsorship and conference centre income in advance	1,457,182	1,267,644
	3,600,853	**3,300,989**

Note 12 **CAPITAL AND LEASING COMMITMENTS**

Operating lease and rental commitments

Non- cancellable operating leases contracted
for but not capitalised in the financial statements.

	2017 $	2016 $
Payable: minumum lease payments		
Not later than 12 months	697,362	810,925
Between 12 months and five years	708,081	1,074,630
Greater than five years	32,662	111,916
	1,438,105	**1,997,471**

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Notes to the financial statements

For year ended 30 June 2017

Note 13 **OTHER FINANCIAL ASSETS**

	2017 $	2016 $
Current		
Cash equivalents	685,050	-
GST and imputation credits receivable	10,201	-
	695,251	**-**
Non current		
Debt securities	4,413,464	-
Equity securities - Australian	1,098,292	-
Equity securities - international	840,771	-
	6,352,527	**-**
	7,047,778	**-**

Note 14 **CASH FLOW INFORMATION**

a) Reconciliation of Cash

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

	2017 $	2016 $
Cash at bank and in hand	171,540	587,354
Short term bank deposits	4,499,918	8,526,294
	4,671,458	**9,113,648**

The company has bank guarantees in favour of the lessors of its commercial premises totaling $470,889 (2016: $470,889).

The company has restricted cash matching the above guarantees secured by its bankers to cover these obligations.

Notes to the financial statements

For year ended 30 June 2017

Note 14 **CASH FLOW INFORMATION (Continued)**

b) Reconciliation of Cash Flows from Operations to Profit from Ordinary Activities

	2017 $	2016 $
Profit from ordinary activities	2,537,847	1,761,101
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	127,440	205,392
Net loss/(profit) on disposal of fixed assets	(835)	95,910
Interest and dividends received	(47,778)	-
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	(20,792)	100,062
Decrease/(increase) in prepayments	151,215	(46,788)
Increase/(decrease) in trade and other payables	(233,770)	(164,100)
Increase/(decrease) in subs and income in advance	299,864	(185,006)
Increase/(decrease) in provisions	(20,074)	122,744
CASH FLOWS FROM OPERATIONS	**2,793,117**	**1,889,315**

Notes to the financial statements

For year ended 30 June 2017

Note 15 **KEY MANAGEMENT PERSONNEL REMUNERATION**

The names and positions held of the key management personnel in office at any time during the financial year are:

Key Management Person	Position
Hamilton Calder	State Director – SA/NT & Acting Chief Executive (since 7 April 2017)
Michael Camilleri	State Director – VIC/TAS
Lee Kelly	State Director – NSW/ACT
Stephen Martin	Chief Executive Officer (ceased 7 April 2017)
Sherlyn Moynihan	Director, National Member Strategy, Development and Engagement
Kyl Murphy	State Director – QLD
Roxanne Punton	Director, External Affairs
Paula Rogers	State Director – WA
David Thompson	Director, Corporate Services

Remuneration policy

The remuneration policy of the company has been designed to align key management personnel objectives with business objectives by providing a fixed remuneration component and offering incentives based on key performance areas affecting the company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between directors, executives and the business.

The board's policy for determining the nature and amount of remuneration for key management personnel of the company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by and approved by the board after seeking professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, and fringe benefits.
- The board reviews key management personnel packages annually by reference to the company's performance, executive performance and comparable information from industry sectors.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9.5 per cent, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the company and expensed. Under the company's constitution, directors (other than executive staff) are not remunerated.

Performance-based remuneration

As part of each of the key management personnel's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business. In determining whether or not a KPI has been achieved, the company bases the assessment on audited figures.

Refer below for an outline of key management personnel remuneration:

	2017	2016
	$	$
Short-term employee benefits	1,934,963	2,101,540
Other long-term benefits	124,318	110,555
Termination benefits	-	16,796
Total remuneration	**2,059,281**	**2,228,891**

Notes to the financial statements

For year ended 30 June 2017

Note 16 **RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 17 **COMPANY DETAILS**

The registered office of the company is:
CEDA
Level 13
440 Collins Street
MELBOURNE VIC 3000

The principal place of business is:
CEDA
Level 13
440 Collins Street
MELBOURNE VIC 3000

The company's principal activities are as shown in the Directors' report.

Note 18 **MEMBERS' GUARANTEE**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $500 each towards meeting any outstanding obligations of the company. At 30 June 2017 the number of members was 765 (2016: 750).

Note 19 **EVENTS AFTER THE BALANCE DATE**

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.

Directors' Declaration

1) The directors of the company declare that the financial statements and notes, as set out on pages 5 to 25 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012, Corporations Act 2001* and present fairly the company's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with accounting standards and other mandatory professional reporting requirements.

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.

Signed at Melbourne, 4 September 2017 in accordance with a resolution of the Board of Directors.

DIRECTOR.

Paul McClintock AO
Chairman

The Rialto, Level 30
525 Collins St
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Independent Auditor's Report
to the Members of Committee for Economic Development of Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of Committee for Economic Development of Australia (the Company), which comprises the statement of financial position as at 30 June 2017, and 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 comprising notes to the financial statements, including a summary of significant accounting policies and the Director's declaration.

In our opinion, the financial report of Committee for Economic Development of Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b complies with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2013.*

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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Financial Report and Auditor's Report Thereon

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 2017, 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.

Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/Home.aspx (ref: para. Aus A57.1). This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B A Mackenzie
Partner - Audit & Assurance

Melbourne, 4 September 2017