Annual Financial Report

for the year ended 30 June 2022

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 2022.

Directors

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

Diane Smith-Gander AO, Chair
Prof. Jeffrey Borland
Dr. Gordon de Brouwer PSM (ceased June 2022)
Jeff Connolly
Ming Long AM
Megan Motto
Dr. Pradeep Philip
Miriam Silva (ceased November 2021)
Rebecca Tomkinson
Dr. Ian Watt AC
Christine Zeitz (commenced December 2021)
Melinda Cilento, CEO

Company Secretary

The following person(s) held the position of company secretary during the year:

Sharon Smyth, Chief Operations Officer

Principal Activities

The Company is an independent, apolitical, member organisation, whose membership is drawn from the business, government, community and education sectors. The Company undertakes research and promotes discussion and debate on the issues affecting Australia's economic and social development.

Short-term and Long-term Objectives

The Company's objective is the achievement of better economic, social and environmental outcomes for Australia, which it pursues through a range of research and advocacy in support of the implementation of better policy.

Directors' Report

Information on Directors:

Diane Smith-Gander AO	- Chair, CEDA - Chair, HBF Health Limited (commenced May 2022) - Chair, CUA Health Pty Ltd (CHL) (commenced May 2022, appointed Director September 2021) - Chair, DDH1 Group of Companies - Chair, Safe Work Australia (ceased January 2022) - Chair, UWA Business School Advisory Board - Chair, Zip Co Limited - Director, AGL Energy Limited - Director, HBF Wellness Holdings Ltd - Director, Keystart Group of Companies (ceased June 2022) - Director, DSG Advisory Pty Ltd - Adjunct Professor, Corporate Governance, University of Western Australia - Deputy Chair, Methodist Ladies College Perth (ceased April 2022) - Member, Fundraising committee, WA Parks Foundation - Business champion, New Colombo Plan - Member, Climate Governance Institute Advisory Committee (commenced May 2022)
Prof. Jeffrey Borland	- Truby Williams Professor, Department of Economics, University of Melbourne - Member, Melbourne University Publishing Editorial Advisory Board - Member, Industry Advisory Board, Department of Economics, Macquarie University - Research Affiliate, Tax-Transfer Policy Institute, Australian National University - Member, Commonwealth Mental Health Workforce Strategy Taskforce
Dr. Gordon de Brouwer PSM	- Chair, the Australian National Committee for the Pacific Economic Cooperation Council - Non-resident fellow, Centre for Strategic and International Studies, Washington, D.C. - Senior Advisor, Centre for Strategic and International Studies, Washington, D.C. - Director and Chair of A&R Committee, Australian Nuclear Science and Technology Organisation - Member, Advisory Board of The Nature Conservancy Australia - Member, Advisory Board of the Reef Restoration and Adaptation Program - National President, Institute of Public Administration Australia - Facilitator, Jeff Whalen Learning Groups for senior public servants - Advisor, Dean of the School of Engineering, UNSW - Fellow, Centre for Governance and Strategy - Professor of Economics, College of Business and Economics and Crawford School of Public Policy, Australian National University
Jeff Connolly	- Chair and CEO, Siemens Ltd - Chair, Siemens Industry Software Pty Ltd - Chair, Siemens (N.Z.) Limited - President, Australian Industry Group Victoria - Chair, Australia's University Research Commercialisation Scheme Taskforce - Director, Australian Industry Group Limited - Adjunct Professor, Swinburne University - Director, Siemens Mobility Pty Ltd - Director, Siemens Healthcare Pty Ltd - Director, Exemplar Health (SCUH) Holdings - Director, Exemplar Health (NBH) Holdings - Director, European-Australian Business Council - Member, Australian Industry Group Defence Council - Advisory Councillor, Australian Industry Group Industry 4.0 Advanced Manufacturing Forum - Member, Australia's Digital Economy experts advisory committee

Directors' Report

Information on Directors (continued):

Ming Long AM	- Chair, AMP Capital Funds Management Limited - Chair, AMP Investment Services Pty Limited - Chair, Diversity Council of Australia - Member, Managed Investment Scheme Compliance Committee, National Mutual Funds Management Limited (ceased April 2022) - Member, Managed Investment Scheme Compliance Committee, Ipac Asset Management Limited (ceased April 2022) - Director, QBE Insurance (Australia) Limited - Director, QBE Lenders Mortgage Insurance Limited - Director, QBE Insurance (International) Pty Limited - Director and Chair of CAX Committee, CA Australia & New Zealand (ceased January 2022) - Member, Climate Governance Institute Steering Committee (commenced May 2022) - Member, ASIC Corporate Governance Consultative Committee (commenced May 2022) - Global Ambassador, Business Events Sydney (commenced June 2022)
Megan Motto	- CEO, Governance Institute of Australia - Director, Standards Australia - Director, Next Gen & Co
Dr. Pradeep Philip	- Partner, Deloitte Access Economics - Director, The Medtech Actuator - Member, Melbourne School of Governance Advisory Board, University of Melbourne - Board Member, Melbourne Montessori School
Miriam Silva	- Chair, Contemporary Arts Precinct (commenced November 2021) - Chair, InTouch Multicultural Centre Against Family Violence - Director, South Australian Film Corporation - Board Member, Malek Fahd Islamic Schools Limited - Member, Muslim Women's Association of South Australia - Director, Crescent Finance Pty Ltd - Director, Crescent Institute
Rebecca Tomkinson	- CEO, Royal Flying Doctor Service (WA) - Chair, Wheatbelt Development Commission - Senate Member, Murdoch University (ceased November 2021) - Chair, WA Regional Development Council - Board Member, Regional Australia Institute - Board Member, Infrastructure WA (commenced October 2021)
Dr. Ian Watt AC	- Chair, International Centre for Democratic Partnerships - Chair, Australian Davos Connection Advisory Council - Chair, Public Policy Committee, Grattan Institute - Chair, Australian Governance Masters Index Fund - 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 - Member, Male Champions of Change - Member, Melbourne School of Governance Advisory Board, University of Melbourne - Member, Australian National Maritime Museum Council (ceased May 2022) - Independent Reviewer, Review of the Tasmanian State Service
Christine Zeitz	- Director, Port Adelaide Football Club - Member/Deputy Chair, SBS - Chair, Defence Trailblazer Concept to Sovereign Capability

Melinda Cilento
- Director, Australian Unity
- Co-Chair, Reconciliation Australia
- Member, Investment Committee, GO Foundation
- Member, Collingwood Football Club Expert Group on Anti-Racism
- Member, Generation One's Advisory Panel - Indigenous Employment Scorecard Project

Directors' Report

<u>Meetings of Directors:</u>

<u>Directors' Meetings</u>

	Number Attended	Number Eligible
Diane Smith-Gander AO	4	4
Prof. Jeffrey Borland	3	4
Dr. Gordon de Brouwer PSM	3	4
Jeff Connolly	3	4
Ming Long AM	4	4
Megan Motto	4	4
Dr Pradeep Philip	3	4
Miriam Silva	2	2
Rebecca Tomkinson	3	4
Dr. Ian Watt AC	3	4
Christine Zeitz	1	2
Melinda Cilento	4	4

<u>Contribution in winding up</u>

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 2022, the collective liability of members was $302,500 (2021: $315,000).

<u>Auditor's Independence Declaration</u>

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 25, and forms part of the directors' report.

Signed on 15 September 2022 in accordance with a Resolution of the Board of Directors.

Diane Smith-Gander AO
Chair

Committee for Economic Development of Australia

ABN 49 008 600 922

Statement of Profit or Loss and Other Comprehensive Income

For year ended 30 June 2022

	NOTE	2022 $	2021 $
Revenue and Income	2 (a)	**7,200,417**	6,813,863
Depreciation and Amortisation Expense	3	**(986,604)**	(1,058,251)
Employee Benefits Expense		**(5,762,641)**	(4,880,368)
Research, Conferences and Briefings Expense		**(1,057,628)**	(788,988)
Other Operating Expenses		**(1,526,515)**	(1,223,638)
Total Operating Expenses		**(9,333,388)**	(7,951,245)
Net Result from Operations		**(2,132,971)**	(1,137,382)
Net Finance Income	2 (b)	**(496,442)**	1,150,265
Other Income	2 (c)	**727,419**	1,127,789
Total Comprehensive (Deficit) / Surplus for the Year		**(1,901,994)**	1,140,672

Committee for Economic Development of Australia

ABN 49 008 600 922

Statement of Financial Position

As at 30 June 2022

	NOTE	2022 $	2021 $
CURRENT ASSETS			
Cash and Cash Equivalents	4	**2,248,775**	1,996,292
Trade and Other Receivables	5	**203,999**	251,020
Other Financial Assets	12	**953,389**	589,780
Other Current Assets		**224,582**	183,263
TOTAL CURRENT ASSETS		**3,630,745**	3,020,355
NON CURRENT ASSETS			
Furniture, Equipment and Leasehold Improvements	6	**486,857**	704,817
Intangibles	7	**648,236**	703,044
Right of Use Assets	11	**1,045,657**	1,404,521
Other Financial Assets	12	**9,057,792**	10,472,431
TOTAL NON CURRENT ASSETS		**11,238,542**	13,284,813
TOTAL ASSETS		**14,869,287**	16,305,168
CURRENT LIABILITIES			
Trade and Other Payables	8	**781,599**	610,700
Lease Liabilities	11	**310,548**	501,117
Short - Term Provisions	9	**472,021**	320,153
Contract Liabilities	10	**3,000,120**	2,437,154
TOTAL CURRENT LIABILITIES		**4,564,288**	3,869,124
NON CURRENT LIABILITIES			
Lease Liabilities	11	**862,395**	1,076,641
Long - Term Provisions	9	**142,876**	157,681
TOTAL NON CURRENT LIABILITIES		**1,005,271**	1,234,322
TOTAL LIABILITIES		**5,569,559**	5,103,446
NET ASSETS		**9,299,728**	11,201,722
EQUITY			
Retained Earnings		**799,728**	2,701,722
General Reserves	15	**8,500,000**	8,500,000
TOTAL EQUITY		**9,299,728**	11,201,722

Committee for Economic Development of Australia

ABN 49 008 600 922

Statement of Changes in Equity

For year ended 30 June 2022

	Earnings $	Reserves $	Equity $
Balance at 30 June 2020	**1,561,050**	**8,500,000**	**10,061,050**
Total Comprehensive Income	1,140,672	-	1,140,672
Balance at 30 June 2021	**2,701,722**	**8,500,000**	**11,201,722**
Total Comprehensive Income	(1,901,994)	-	(1,901,994)
Balance at 30 June 2022	**799,728**	**8,500,000**	**9,299,728**

Statement of Cash Flows

For year ended 30 June 2022

	NOTE	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		**4,411,179**	3,749,525
Research, Conferences and Briefings		**3,387,146**	2,863,238
Payments to Suppliers & Employees		**(7,947,886)**	(7,058,235)
Government Payment Received		**140,350**	1,004,850
Interest Received		**5,369**	23,451
Interest Paid	3	**(83,036)**	(109,258)
Sundry Income		**599,949**	12,485
NET CASH PROVIDED BY OPERATING ACTIVITIES	**13(b)**	**513,071**	486,056
CASH FLOWS FROM INVESTING ACTIVITIES			
Withdrawal from Investments		**500,000**	-
Purchase of Equipment & Intangibles		**(205,783)**	(697,282)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		**294,217**	(697,282)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Lease Liabilities	11	**(554,805)**	(487,872)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		**(554,805)**	(487,872)
NET INCREASE / (DECREASE) IN CASH HELD		**252,483**	(699,098)
CASH AT BEGINNING OF YEAR	13(a)	**1,996,292**	2,695,390
CASH AT END OF YEAR	**13(a)**	**2,248,775**	1,996,292

Notes to the Financial Statements

For year ended 30 June 2022

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 – General Purpose Financial Statements –Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, 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. The 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 applied. 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 Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting Policies

a) Equipment, Leasehold Improvements

Equipment and Leasehold Improvements are measured on the cost basis less depreciation and impairment losses.

The carrying amount of equipment and leasehold improvements is reviewed annually 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

All equipment and leasehold improvements, 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 $1,000 has been allocated into a low value pool. The straight-line method of depreciation is used. Leasehold improvements 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
Equipment	20.0%
Computer and Associated Equipment	33.3%
Leasehold Improvements	14.3% - 50.0%
Estimated Make Good Costs	14.3% - 50.0%
Software	33.3%

b) Leases

The Company leases various properties. Rental contracts are typically made for fixed periods of 3 to 7 years but may have extension options as described below.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of property and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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.

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 a specific asset level. All individually significant assets are assessed for specific impairment.

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 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.

f) Cash and Cash Equivalents

Cash and cash equivalents include 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 and Income

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.

Conference and Sponsorship revenue received for future periods is treated as Contract Liabilities and recognised as revenue when the event has occurred.

Subscription revenue is progressively recognised over the term of the subscription with the unexpired portion treated as Subscriptions Contract Liabilities.

All other income is recognised on receipt in accordance with AASB 1058

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

h) <u>Finance Income</u>

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) <u>Goods and Services Tax (GST)</u>

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.

j) <u>Financial Instruments</u>

1) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2) Classification

For the purpose of subsequent measurement, 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

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 12 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.

Notes to the Financial Statements

For year ended 30 June 2022

3) 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 net 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.

4) 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.

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 – Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

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

Current liabilities exceed current assets due to deferred revenue for events and membership. These amounts represent a liability for services not yet performed as distinct from a liability for unpaid amounts.

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

The financial report was authorised for issue on 15 September 2022 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 2022

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 Committee reports 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 financial asset 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.

Investment management

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 2022

		2022	2021
		$	$
Note 2 (a)	**REVENUE AND INCOME**		
	Operating Activities		
	Subscriptions	4,144,711	4,081,362
	Research, Conferences and Briefings	3,043,627	2,720,016
		7,188,338	**6,801,378**
	Non-Operating Activities		
	Sundry Income	12,079	12,485
	Total Revenue and Income	**7,200,417**	**6,813,863**
Note 2 (b)	**NET FINANCE INCOME**		
	Interest Income	5,369	23,451
	Gains/(losses) on Investments	(501,811)	1,126,814
	Total Net Finance Income	**(496,442)**	**1,150,265**
Note 2 (c)	**OTHER INCOME**		
	Gains/(losses) on Sale of Fixed Assets	(801)	(24,379)
	Government Support Payments	140,350	1,004,850
	Non-Operating Income	587,870	147,318
	Total Other Income	**727,419**	**1,127,789**
Note 3	**SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES**		
	Surplus / (Deficit) from Ordinary Activities has been determined after:		
	Expenses:		
	Interest	83,036	109,258
	Depreciation of Equipment	96,285	102,328
	Depreciation of Right of Use Assets	508,854	655,123
	Amortisation	381,465	300,800
	Net (Gain)/Loss on Disposal Equipment	801	24,379
	Remuneration of the Auditors	29,872	28,219
Note 4	**CASH AND CASH EQUIVALENTS**		
	Cash at Bank and in Hand	1,928,831	318,079
	Short Term Bank Deposits	319,944	1,678,213
		2,248,775	**1,996,292**

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 13.

Notes to the Financial Statements

For year ended 30 June 2022

		2022	2021
		$	$
Note 5	**TRADE AND OTHER RECEIVABLES**		
	Trade Debtors	209,015	133,391
	GST Input Credits *	-	123,180
	Provision for Impairment	(5,016)	(5,551)
		203,999	**251,020**

- Business Activity Statements (BAS) for financial year 2022 have all been settled, the GST Input Credits has been offset fully by the GST Output Payable.

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.

The Company's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired, the provision amount allowed was sufficient to cover those amounts. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

The movement in the allowance for credit losses can be reconciled as follows:

Reconciliation of allowance for credit losses

	2022	2021
Opening Balance at 1 July 2021	5,551	9,036
Amounts Written off (Uncollectable)	(535)	(3,485)
Impairment Loss	-	-
Balance at 30 June 2022	**5,016**	**5,551**

		2022	2021
Note 6	**FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS**		
	Furniture and Equipment At Cost	397,670	407,426
	Less: Accumulated Depreciation	(321,370)	(238,972)
	TOTAL FURNITURE AND EQUIPMENT	**76,300**	**168,454**
	Leasehold Improvements	762,297	902,533
	Less: Accumulated Depreciation	(351,740)	(366,170)
	TOTAL LEASEHOLD IMPROVEMENTS	**410,557**	**536,363**
	TOTAL FURNITURE EQUIPMENT AND LEASEHOLD IMPROVEMENT	**486,857**	**704,817**

Note 6(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.

	Equipment	Leasehold Improvement	TOTAL
	$	$	$
Balance at the beginning of the year	168,454	536,363	704,817
Additions	4,932	23,461	28,393
Assets disposed / scrapped	(801)	-	(801)
Depreciation and Amortisation Expense	(96,285)	(149,267)	(245,552)
Carrying amount as at 30 June 2022	**76,300**	**410,557**	**486,857**

Notes to the Financial Statements

For year ended 30 June 2022

		2022	2021
		$	$
Note 7	INTANGIBLES		
	Software	1,225,707	1,051,850
	Less: Accumulated Amortisation	(577,471)	(348,806)
	TOTAL INTANGIBLES	**648,236**	**703,044**

Note 7(a) **Movements in Carrying Amounts**

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

Balance at the beginning of the year	703,044
Additions	177,390
Assets disposed/scrapped	-
Amortisation expense	(232,198)
Carrying amount as at 30 June 2022	**648,236**

		2022	2021
Note 8	**TRADE AND OTHER PAYABLES**		
	Trade Payables	266,751	331,380
	Sundry Payables and Accrued Expenses	328,722	87,148
	GST Collected	186,126	192,172
		781,599	**610,700**
Note 9	**PROVISIONS**		
	Current	472,021	320,153
	Non Current	142,876	157,681
		614,897	**477,834**

	Employee Benefits	Restructure Provisions	Make Good Provisions	Total
	$	$	$	$
Opening Balance at 1 July 2021	455,834		22,000	477,834
Additional Provisions	414,440	52,903	-	467,343
Amounts Used/Reversed	(330,280)		-	(330,280)
Balance at 30 June 2022	**539,994**	**52,903**	**22,000**	**614,897**

Restructure Provisions

The Company committed to restructure the workforce as a result of a deterioration in economic conditions, and a provision of $52,903 for committed restructuring costs was recognised in 2022 Financial Year, including employment termination benefits.

Make Good Provisions

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

Notes to the Financial Statements

For year ended 30 June 2022

Note 9 **PROVISIONS (Continued)**

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 (d) to this report.

	2022	2021
	$	$
Note 10 CONTRACT LIABILITIES		
Contract Liability - Subscriptions	2,076,318	1,809,850
Contract Liability - Sponsorship & Conference	923,802	627,304
	3,000,120	**2,437,154**

Note 11 **LEASES**

The balance sheet shows the following amounts relating to leases:

	2022	2021
Right of Use Assets		
Offices	1,027,998	1,365,740
Equipment	17,659	38,781
	1,045,657	**1,404,521**
Lease Liabilities		
Current	310,548	501,117
Non - Current	862,395	1,076,641
	1,172,943	**1,577,758**

Movements in the carrying amounts of Right of Use Assets between the beginning and the end of the current financial year.

	Offices	Equipment	Total
	$	$	$
Opening Balance at 1 July 2021	1,365,740	38,781	1,404,521
Additional	149,990	-	149,990
Depreciation and Amortisation Expense	(487,732)	(21,122)	(508,854)
Balance at 30 June 2022	**1,027,998**	**17,659**	**1,045,657**

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

	Current	Non - Current	Total
	$	$	$
Opening Balance at 1 July 2021	501,117	1,076,641	1,577,758
Additional	42,210	107,780	149,990
Amounts Settled / Transferred	(232,779)	(322,026)	(554,805)
Balance at 30 June 2022	**310,548**	**862,395**	**1,172,943**

Notes to the Financial Statements

For year ended 30 June 2022

Note 12 **OTHER FINANCIAL ASSETS**

	2022	2021
	$	$
Current		
Cash equivalents	875,710	541,317
GST and Imputation Credits Receivable	77,679	48,463
	953,389	**589,780**
Non Current		
Debt securities	6,223,601	6,754,777
Equity securities - Australian	1,712,703	2,246,986
Equity securities - International	1,121,488	1,470,668
	9,057,792	**10,472,431**
	10,011,181	**11,062,211**

Note 13 **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:

	2022	2021
Cash at Bank and in Hand	1,928,831	318,079
Short Term Bank Deposits	319,944	1,678,213
	2,248,775	**1,996,292**

The Company has bank guarantees in favour of the lessors of its commercial premises totalling $319,944 (2021: $513,640). The Company has restricted cash matching the above guarantees secured by its bankers to cover these obligations.

b) Reconciliation of Cash Flows from Operations to Surplus / (Deficit) from Ordinary Activities

	2022	2021
Surplus / (Deficit) from Ordinary Activities	(1,901,994)	1,140,672
Non - Cash Flows from Ordinary Activities		
Depreciation and amortisation	986,604	1,058,251
Covid Rental relief and GST offsets	49,219	(97,748)
Net Loss/(Gains) on Disposal of Fixed Assets	801	24,379
Net Loss/(Gains) on Investments	501,811	(1,126,814)
Changes in Assets and Liabilities:		
Decrease / (Increase) in Trade and Other Receivable	47,021	143,223
Decrease / (Increase) in Prepayments	(41,319)	90,977
Increase / (Decrease) in Trade and Other Payables	170,899	79,777
Increase / (Decrease) in Contract Liabilities	562,966	(331,837)
Increase / (Decrease) in Provisions	137,063	(494,824)
CASH FLOWS FROM OPERATIONS	**513,071**	**486,056**

Notes to the Financial Statements

For year ended 30 June 2022

Note 14 **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
Melinda Cilento	Chief Executive Officer
Jarrod Ball	Chief Economist
Belinda Gleeson	Director, People and Culture
Mel Nelson	Director, Membership
Roxanne Punton	Director, Communications
Sharon Smyth	Chief Operations Officer and Company Secretary
Joanne Lilley	Director, Content Programming

The remuneration of the Company has been designed to align the objectives and reward of key management personnel (KMP) with the Company's business objectives. The remuneration of key management personnel is a combination of a fixed remuneration component and short-term incentive (STI) opportunity.

Remuneration arrangements are designed to attract and retain employees with the skills and experience required to support the Company's sustained performance and achievement of its strategic priorities. Fixed remuneration is determined based on the requirements of the role, market conditions and the skills and experience of the employee. STI payments are determined based on performance against a range of financial and non-financial metrics determined annually by the board with the support of the People and Governance Committee, to align with the Company's strategic priorities.

KMP receive a superannuation guarantee contribution as required by law, which currently is 10 per cent. They do not receive any other retirement benefits.

All remuneration paid to KMP is valued at the cost to the Company and expensed. Under the Company's constitution, directors (other than executive staff) do not receive remuneration.

Refer below for an outline of key management personnel remuneration:

	2022	2021
	$	$
Short-term employee benefits	1,709,378	1,587,820
Post-employment benefits	161,208	140,663
Other long-term benefits	88,759	132,246
Termination benefits	52,903	-
Total remuneration	**2,012,248**	**1,860,729**

Notes to the Financial Statements

For year ended 30 June 2022

Note 15 **General Reserves**

A General Reserves account has been established in the year to support the Company to consistently achieve its strategic objectives and to ensure its ongoing sustainability. The fund is to be used to pursue CEDA's strategic aims or to address the impact of unexpected events, loss of income or large unbudgeted strategic expenses, with such use to be approved by the Board.

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 3
271 Spring Street
MELBOURNE VIC 3000

The principal place of business is:
CEDA
Level 3
271 Spring 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 2022 the number of members was 605 (2021: 630).

Directors' Declaration

1) The directors of the company declare that the financial statements and notes, as set out on pages 6 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 2022 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 on 15 September 2022 in accordance with a Resolution of the Board of Directors.

DIRECTOR.

Diane Smith-Gander AO
Chairman

Grant Thornton Audit Pty Ltd
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Melbourne VIC 3008
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Melbourne VIC 3001

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Independent Auditor's Report

To the Members of the Committee for Economic Development of Australia

Report on the audit of the financial report

Audit opinion

We have audited the financial report of the Committee of Economic Development Australia ("CEDA"), which comprises the statement of financial position as at 30 June 2022, and the statement of 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 CEDA 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 Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 Registered Entity in accordance with 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 CEDA's annual report for the year ended 30 June 2022 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 CEDA are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing CEDA'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 CEDA or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing CEDA'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.

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 CEDA'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 CEDA'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 CEDA 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 those charged with governance 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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell
Partner – Audit & Assurance

Melbourne, 15 September 2022

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Auditor's Independence Declaration

To the Members of the Committee for Economic Development of Australia

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for profits Commission Act 2012*, as lead auditor for the audit of the Committee for Economic Development of Australia for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

Darren Scammell
Partner – Audit & Assurance

Melbourne, 15 September 2022