

ceda annual report

2009–10



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*Front cover: **The Hon Julia Gillard MP**, Prime Minister (then deputy) at
Positioning Australia for the 21st Century, Sydney, December 2009;
Kevin Sheedy AM, AFL Ambassador – NSW / Team GWS Coach at
Empowering Indigenous Australians through education and employment,
Melbourne, June 2010; **Her Excellency Ms Quentin Bryce AC**,
Governor-General of the Commonwealth of Australia; **Sharon Cook**,
Managing Partner, Henry Davis York at Women in Leadership, March 2010;
Dr Ken Henry AC, Secretary, Department of the Treasury at Australia's Future
Tax System Review, Sydney, October 2009; **The Hon Tony Abbott MP**,
Leader of the Opposition, at State of the Nation, Canberra, June 2010.*


committee for economic development of australia



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Business, political and opinion leaders who spoke to CEDA in 2009–10

The Hon Tony Abbott MP

Leader of the Opposition

The Hon Anthony Albanese MP

Minister for Infrastructure, Transport, Regional Development and Local Government

Gary Banks AO

Chairman, Productivity Commission

The Hon David Bartlett MP

Premier of Tasmania

His Excellency Mr Jeffrey L Bleich

United States Ambassador to Australia

The Hon Anna Bligh MP

Premier of Queensland

The Hon John Brumby MP

Premier of Victoria

Her Excellency Ms Quentin Bryce AC

Governor-General of the Commonwealth of Australia

Russell Caplan

Chairman Shell Group of Companies

Dr Claus Conzelmann

Global Vice President, Nestlé

The Hon Simon Crean MP

Minister for Trade

Allan Fels AO

Associate Commissioner, Productivity Commission

The Hon Martin Ferguson AM MP

Minister for Resources and Energy; Minister for Tourism

The Hon Andrew Fraser MP

Treasurer of Queensland

The Hon Julia Gillard MP

Prime Minister (then deputy)

Richard Goyder

Chief Executive Officer, Wesfarmers

Dr Ken Henry AC

Secretary to the Treasury

Clockwise from left: Dr Claus Conzelmann, Global Vice President, Nestlé, at Global food security – the looming sustainability crisis, July 2009; His Excellency Mr Jeffrey L Bleich, Ambassador to Australia, Embassy of the United States of America, at US economic reform policies and global challenges, Sydney May 2010; Russell Caplan, Chairman, Shell Group of Companies, at World demand for energy-opportunities for Queensland, Brisbane, October 2009.





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The Hon Tim Holding MP

Minister for Water, Victoria

The Hon Kristina Keneally MP

Premier of New South Wales

The Rt Hon John Key MP

Prime Minister of New Zealand

Danny Lester

CEO, Aboriginal Employment Strategy

Ken Matthews AO

Chairman and Chief Executive Officer, National Water Commission

Campbell Newman

Lord Mayor of Brisbane

Maurice Newman AC

Chairman, Australian Broadcasting Corporation

Lisa Paul PSM

Secretary, Department of Education, Employment and Workplace Relations

Professor Barbara Pocock

Director, Centre for Work + Life

The Hon Nicola Roxon MP

Minister for Health and Ageing

Professor Gary Sampson

John Gough Chair in the Practice of International Trade, Melbourne Business School

Kevin Sheedy AM

AFL Coaching Legend

Her Excellency Mrs Sujatha Singh

India's High Commissioner to Australia

Mike Smith

Chief Executive Officer, ANZ

The Hon Stephen Smith MP

Minister for Foreign Affairs

Dr Ziggy Switkowski

Chairman, ANSTO

Frank Tudor

Chairman of the Australia China Business Council

*Clockwise from left:
The Rt Hon John Key MP, Prime Minister of New Zealand, at The Australia–New Zealand Relationship: CER and SEM as a means of building productivity, Melbourne, August 2009;
The Hon Kristina Keneally MP, Premier of New South Wales, at the Economic and Political Overview 2010, Sydney, February 2010;
Mike Smith, Chief Executive Officer, ANZ, at Growing regionally: New opportunities in a post GFC world, Sydney, May 2010;
The Hon Stephen Smith MP, Minister for Foreign Affairs, at China: Partner, Customer, Investor, Competitor, or All of the Above? Perth, June 2010.*





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In CEDA in 1960, Sir Douglas Copland sought to create an organisation that could speak for an open, enlightened Australia; an organisation focussed on Australia's longer-term development and international engagement. He believed that Australian business leaders should be in dialogue with their counterparts in academia and government and that these exchanges should be focussed on shared longer-term values and interests. Finally, his idea was to create a voice for well-researched independent expertise.

In 2010, fifty years on, while CEDA's approach has evolved, the fundamentals established by Copland remain the same. CEDA continues to be an independent "bridge" between the public and private sectors; a broker of ideas through its research and policy work; and a forum for enlightened, non-partisan discussion and debate on matters of national importance.

CEDA averages 250–300 meetings, briefings and forums each year. They reflect ongoing debates and economic research. Its independent policy analysis is focussed increasingly on the core economic issues for Australia's future.

Fiftieth year commemoration

To mark CEDA's fiftieth year, we have embarked on a series of commemoration activities:

- Renewal of the biennial Copland Memorial Address CEDA – This flagship lecture series was inaugurated in Sir Douglas Copland's name in 1973. The series brought the views and perspectives of the world's leaders to Australian audiences. After lapsing for several years, the 2010 Copland Memorial Address was delivered by Nobel Laureate Professor Joseph Stiglitz.
- Commissioning of a booklet honouring the legacy of Sir Douglas Copland.
- Commissioning of a monograph highlighting CEDA's contribution to Australian public life over the last 50 years through the eyes of senior business, academic and political leaders.
- The announcement of an annual prize (The CEDA Prize) for excellence in economics and public policy. The aim of the prize is to engage the brightest minds in the search for the best policy ideas and will be awarded to the best postgraduate or honours students in economics and public policy in Australian universities.

Board of Directors

I would like to thank CEDA's Board of Directors for their contributions throughout the year to CEDA's ongoing success and their support for me as Chairman.

I particularly welcome Board members appointed to the Board during the last financial year: Sally Pitkin and Dr Rufus Black, both joining in November 2009. Our forthcoming AGM will see the retirement of two of our long-serving CEDA Directors: Phil Ruthven and Adrian Kloeden along with one of our more recent appointees in Ms Anne Howe. Thank you for your sustained and important contributions to CEDA over the years.



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Equally, it is gratifying to see a number of highly qualified Board candidates up for appointment at this AGM in Russell Caplan, the Hon Warwick Smith AM, Ann Sherry and Ian Stirling.

Similarly, I am appreciative of the level of engagement, guidance and insight from CEDA's Board of Governors and our reconstituted Research and Policy Council for CEDA's active work program this year. Your continued support is vital if CEDA is to reach a new level of engagement in the debate on public policy issues of national significance.

CEDA's staff across Australia is professional and hard-working. Much of our success is owed to their commitment to CEDA and its members.

It is with great regret that I announce our Chief Executive, David Byers, is leaving us to pursue his career elsewhere. David has been critical in revitalising CEDA administratively and in its policy research and dialogue programs. He deserves our great thanks and good wishes for the future. While the coming year will see a change of Chief Executive, I am confident of the strength of CEDA's National Leadership Team and its commitments to continuing in the direction established.

Invest in CEDA's next 50 years

Finally, to mark CEDA's achievements to date and to build for its future, the Board of CEDA is embarking on an ambitious plan to raise funds to secure CEDA's future. We aim to position CEDA as Australia's leading source of independent research and policy work and thought leadership.

Initially, we expect to attract funding to support specific projects but ultimately aim to build a substantial corpus to finance CEDA's capacity to continue to undertake ambitious, high impact projects.

I look forward to outlining more details about our ambitious plans through the coming year.

Geoff Allen
Chairman, CEDA



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CEDA promotes Australia's economic development by producing independent policy research and a forum for the exploration and testing of new ideas and policy approaches. Over the year, CEDA continued to make progress in delivering against that mission with milestones achieved in membership, research and policy and as Australia's leading independent policy forum.

Financial

On the back of the stellar financial performance of FY 2008–09, CEDA recorded another pleasing result with a surplus of almost \$70k. While this fell short of our goal for the year, it was a solid performance in difficult external economic circumstances. It reflected another year of strong growth in membership and donations to CEDA's research and policy fund, offsetting reduced revenue from conferences and events due to the prevailing business climate. CEDA's improved financial performance also reflects the substantial volume of work completed over the last three years to improve the professionalism and quality of its business and financial reporting.

Membership

CEDA's membership base includes more than 830 of Australia's leading business, government, academic and community organisations. With a heightened organisational focus on delivering services to members across Australia, we were successful in building national memberships from 19 to 26. Many of Australia's best known companies and professional services firms are now national members of CEDA and all top 10 ASX listed companies are members in one or more states – a positive sign of CEDA's engagement with the significant players in Australian business.

We have directed significant effort towards retaining and growing our membership base, focusing particularly on high-quality briefings for our trustees in settings which allow greater opportunity for participation and exchange of ideas.

Research and Policy

We announced the launch of CEDA's largest research and policy project for many years. The *Australian Water Project* will conduct independent analysis into Australia's water issues and options and examine lessons Australia can offer to the wider world. The collaboration between CEDA, Uniwater (Monash and Melbourne Universities) and Harvard University will deliver a series of policy-related forums and a two part research volume over two years. The international dimension of the project is particularly exciting and shows great promise.

CEDA also published a major report on climate change in August 2009: *Growth 61: A Taxing Debate – Climate policy beyond Copenhagen*. The report examined the difficulties inherent in the Copenhagen process and called for those realities to be confronted. Of course, these flaws have subsequently been laid bare for all to see. The report advanced a carbon tax as a preferable policy mechanism to emissions trading to introduce a carbon price signal through the economy. Subsequently, we have seen carbon tax return to consideration on the national policy agenda.



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CEDA's reputation as a leading and credible participant in the public policy debate has been expanded over the year with increased targeting of major issues via opinion/editorials and contributions through national print and online media.

The groundwork was also begun for a second major policy thrust to take place in calendar year 2011, along with water. This project, nominally titled *Australia's Population Challenge and Policy Choices: The case for continued economic and social reform*, will examine Australia's population trends, challenges and associated policy choices. It will draw on CEDA's expertise and networks to bring together the best ideas on the various dimensions of a growing, diverse and sometimes ageing and then rejuvenating population. It will make out the case for continued economic and social reform to meet these challenges.

Forums and events

CEDA continues to be a forum of choice for leaders from government, business, academia and the broader community to discuss in detail the policy challenges that matter to Australia's future. We ran almost 300 events in 2009–10 attracting over 22,000 participants. As well as our hardy perennials – the *State of the Nation* in Canberra and the *Economic and Political Overview* in each capital city – we experimented with some new formats and topics. Two highlights were national series: *Trade 2020*, run in collaboration with Austrade and examining how best to capture trade and investment opportunities in more testing global economic conditions; and the *National Energy Dialogue* series, run in collaboration with Shell and examining all aspects of the global, regional and national challenge of providing sufficient reliable and affordable energy to meet growing demand while safeguarding environmental impacts.

Farewell

This is my last Annual Report as CEDA's Chief Executive. It has been a tremendous experience to have worked with CEDA since February 2007. The job has afforded me the opportunity to meet with and learn from many of Australia's leading business, academic and government figures and the privilege of leading one of Australia's finest not for profit organisations.

I am thankful to all CEDA employees for their enthusiasm, dedication and friendship and for the wisdom and understanding of two great Chairmen. And I am appreciative of the broader CEDA community – the Board of Directors, Board of Governors, the Research and Policy Council and State Councils and trustees – for all their support and guidance. If we have moved the needle forward on CEDA's performance over the period, it was only because there were many prepared to make it happen.

Good bye and good luck!

David Byers
Chief Executive, CEDA



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For 50 years, CEDA has informed and enlightened economic decision-making in Australia. It sets itself the mission of engaging the brightest minds in the search for the best policy ideas.

Founded in 1960 by one of Australia's most respected economists, Sir Douglas Copland, CEDA operates to twin objectives: to undertake objective economic research on national growth, and to provide a forum where fresh policy approaches and thinking can be debated and discussed among government, business and academic institutions, at the highest levels. Since its inception, CEDA has remained true to this role as an entrepreneur of ideas.

From the start, CEDA was funded by members committed to a deeper, broader and more insightful public policy discourse on economic reform. It has never been aligned with any political group or ideology. It offers an important independent voice in public policy by:

- Publishing independent research and policy options
- Providing a forum for debate and discussion
- Offering a membership network to people and organisations that value participation in the important debates that will shape Australia's economic future

CEDA's activities

Independent research and policy

CEDA Research is independent and collaborative. We engage the sharpest minds to produce the best ideas for improving Australia's economic performance. Each year, CEDA produces a wide range of research documents and policy analysis to better inform public debate.

Policy forums

Over 50 years, CEDA forums have become one of the leading marketplaces for the exchange of ideas on economic policy. The forums aim also to strengthen wider community understanding of the policy challenges ahead. We offer an open and independent platform for rigorous examination of the full gamut of policy considerations that have an impact on how Australians work, and do business. The forums encourage expansive and intelligent debate on how best to secure continued success for the nation as an economy, and as a society.

Membership association

CEDA members are well-connected and well-informed on the latest policy trends, and the key decisions that shape the operating environment for business. More than 800 of Australia's leading organisations are CEDA members. Bridging government, business and the academies, it is a formidable network of networks.



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CEDA's objectives

Copland's vision was to tap into the best minds across the country, and to harness the thinking that would advance Australia's economic interests, and secure its prosperity.

CEDA promotes Australia's economic development by producing independent policy research, and in providing a forum for the exploration and testing of new policy approaches. CEDA focuses not only on the challenges of the day, but also on longer-term policy debates about how best to ensure the effective operation of markets and business best practice.

Today, sound public policy is more important than ever. CEDA offers not only policy leadership but the capacity to encourage and showcase debate around the critical challenges for the Australian economy. Over the years CEDA has been a valued meeting place for ideas and people – from large public addresses by prime ministers, premiers and celebrated international minds such as Milton Friedman, to smaller trustee meetings of business, political and academic leaders. This occurs at hundreds of events held each year across the country.

For 50 years, CEDA has tracked the course of Australian public policy debate, producing more than 3000 papers, articles and research reports. In its most recent policy analysis, CEDA has addressed many of the pressing policy concerns facing Australia including water, population, climate change, broadband and infrastructure.

To mark CEDA's 50th anniversary, CEDA partnered with the Economics Society of Australia to bring Nobel Prize winning economist Professor Joseph E Stiglitz to Australia to deliver the Copland Memorial Address for 2010 on the topic of *Rethinking Financial and Economic Governance in light of the Global Financial Crisis*. The address, in honour of CEDA's founder, was reinstated to commemorate 50 years of CEDA as a leading, independent voice in the national policy debate.





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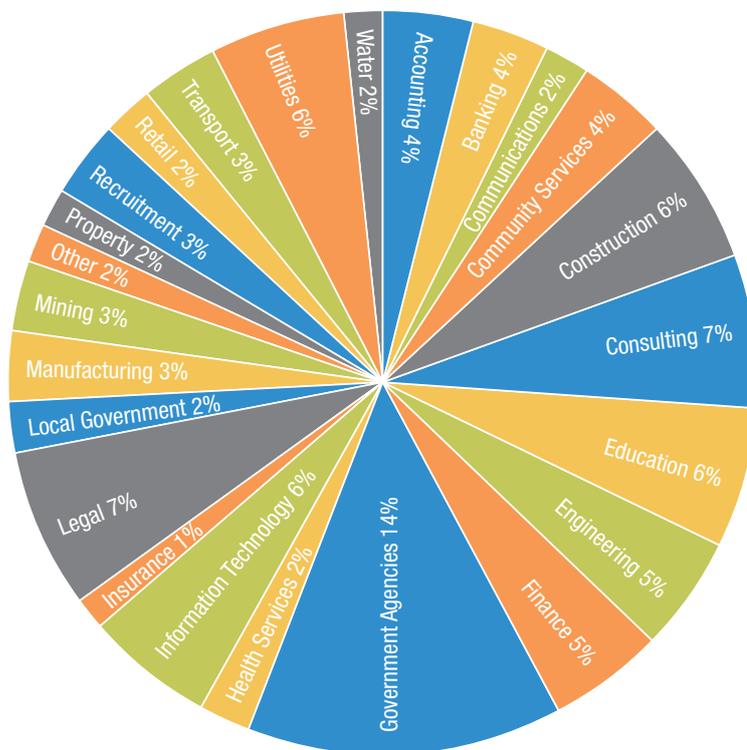
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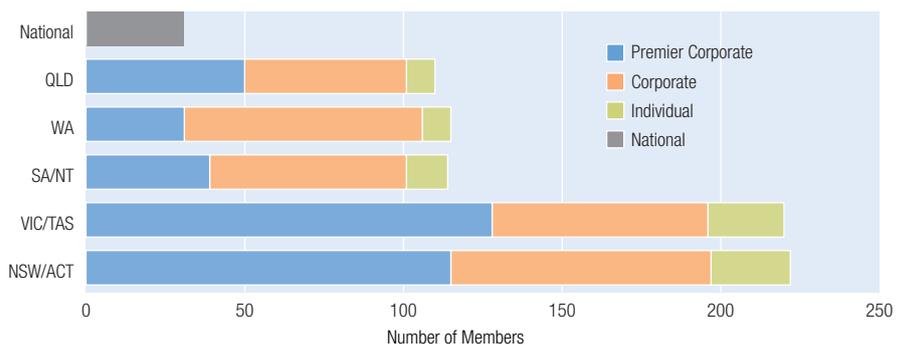
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Membership overview

CEDA is renowned for the breadth and balance of its membership. CEDA's members collaborate to form a national network committed to advancing Australia's economic growth through thought leadership, public policy debate and in depth research. Our membership base is made up of 833 business, government, academic and community organisations.



Building on the strong membership performance in 2008–09, CEDA again experienced a net increase in members around Australia during 2009–10. This was particularly pleasing given the continued impact of the prevailing economic conditions.





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With more than 1780 individual trustees, plus thousands of engaged employees, from leading business, government and academic communities, CEDA ensures that member organisations are well connected and well informed on economic, business and public policy issues.

Membership benefits

All CEDA members enjoy benefits including:

- Access to CEDA's public program of forums and events, including access to premium and member-only events, at reduced rates for all employees of the member organisation.
- The opportunity to host and attend complimentary Trustee-only boardroom briefings, allowing discussion with peers and invited guests on emerging issues.
- Meet and network with other senior executives and business leaders.
- Participation in CEDA Research Reference Groups.
- Exclusive access to CEDA Roundtable events and CEDA Copland Program for emerging leaders in member organisations.
- Organisation-wide access to all CEDA public events and conferences at membership prices.
- Organisation-wide access to current CEDA research and publications, current event presentations and audio recordings, and our extensive archive of event material via the member only section of our website.
- The opportunity to sponsor CEDA research as a CEDA research partner.





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Membership structure

CEDA has five categories of membership to suit a range of organisations that want to engage with CEDA's knowledge and networks, namely: Premier National; National; Premier Corporate; Corporate; and Individual.

Membership type	Key benefits (in addition to standard CEDA benefits)
Premier National	Nomination of up to 25 Trustees Australia-wide 25% reduction in total membership subscriptions Recognised contribution to CEDA's Research Fund Priority access to national sponsorship/research opportunities Complimentary seats at Annual Dinner and annual <i>State of the Nation</i> conference
National	Nomination of up to 20 Trustees Australia-wide 25% reduction in total membership subscriptions Recognised contribution to CEDA's Research Fund Priority access to national sponsorship/research opportunities Complimentary seats at Annual Dinner and annual <i>State of the Nation</i> conference
Premier Corporate	Nomination of up to 4 Trustees within the State Recognised as the premium CEDA membership in that State Exclusive access to premier CEDA activities, such as the CEO and CFO roundtables and boardroom briefings Priority access to State sponsorship opportunities
Corporate	Nomination of up to 2 Trustees within the State Designed specifically for SME's, NFP's and smaller organisations
Individual	Nominate 1 Trustee within the State Available to sole proprietors, non-executive directors and other thought leaders

The Hon Tony Abbott MP, Leader of the Opposition, at the State of the Nation, Canberra, June 2010.





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Trustees

Member organisations nominate **Trustees**, to act as the custodians of CEDA membership and the primary point of contact for announcements and information on new research and events.

CEDA's Trustees play a particularly important role. As the nation's business and public policy leaders, CEDA Trustees offer their vision and ideas to advance Australia's economic development. In return, they have exclusive access to CEDA's research, forums and events, networking and professional development programs.

Trustees represent their organisation at CEDA events and forums, including annual events such as the *State of the Nation* and the *Economic and Political Overview* conferences. Trustees also host and attend boardroom briefings with other Trustees. Trustees can also participate in CEDA Research reference groups.

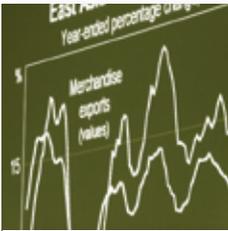
Being a CEDA Trustee enables a new opportunity to network at the most senior levels and to be integrated with the ever changing economic and political platform with which we work. CEDA has the unique ability to bring together business, community and academia like no other organisation.

2009–10 highlights

During 2009–10 CEDA membership experienced the following highlights:

- Overall membership grew, with strong growth in National members and WA based members.
- The top 10 ASX listed companies (by revenue) are all members of CEDA
- CEDA's National Membership category was enhanced and broadened to provide greater acknowledgement and benefits to organisations taking a national approach to membership. CEDA acknowledges the following National Members in 2009–10:

ABC	Coffey International	Mercer
Abigroup	Commonwealth Bank	Middletons
Accenture	CSC Australia Pty Ltd	Minter Ellison
AECOM	Deloitte	Norton Rose
AEMO	Fujitsu Australia Limited	OAMPS
Allens Arthur Robinson	Herbert Geer	SAHA International
ANZ Group Limited	Hyder Consulting	Shell Companies of Australia
ASIC	KPMG	Telstra Corporation Limited
Austrade	Marchment Hill Consulting	Transfield
Australia Post	McKinsey & Company	Westpac Banking Corp



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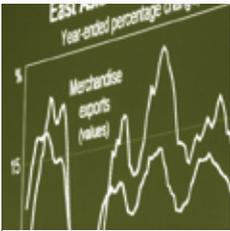
Research and policy highlights

- **The Australian Water Project** will conduct independent analysis into Australia's water issues and options. The collaboration between CEDA, Uniwater (Monash and Melbourne Universities) and Harvard University will assess the priorities and options for water supply policies across Australia, and examine lessons Australia can offer to the wider world. The two-year project will deliver a series of policy related forums and a two-part research volume.
- **Good Governance, not Big Government**, a research paper presented by Dr Michael Porter to the CEDA Board of Governors in October, 2009, examined the causes and aftermath of the global financial crisis. The paper argued that sound, predictable regulation of financial and labour markets, not greater government intervention, remained the key to economic success. In February, 2010, as part of CEDA's annual *Economic and Political Overview*, Dr Porter argued it was 30 years of rigorous policy reform that had enabled Australia to withstand the external shocks
- **Broadband and the Digital Age**. CEDA is advancing telecommunications options and strategies that will enable better outcomes from expanded use of copper, HFC cable, wireless (including mobiles) and new fibre-based systems such as the proposed National Broadband Network. A key option advanced by CEDA Research and Policy is to enshrine competition across alternative broadband infrastructures.

CEDA Research and Policy delivers leading-edge analysis, comment and solutions on the major economic reform challenges facing Australia today, and into the future. CEDA's research and policy framework delivers an integrated program of research and forums for discussion on the important debates. Over 2009–10, CEDA Research and Policy made key inputs to policy and media discussion on broadband / NBN, carbon tax, the financial issues in the GFC, paid parental leave, resources tax and many other current policy debates.

While CEDA forums continue to traverse the full spectrum of topics, CEDA's Research and Policy arm, led by Research and Policy Director, Dr Michael Porter, focuses on vital areas of economic and institutional policy reform where CEDA can make a difference. CEDA Research and Policy priorities that have emerged from consultation with CEDA Trustees are:

- Population issues – the infrastructure, ageing, migration and other issues at the heart of the current "Bigger Australia" debate.
- Water – the urgent need for improved institutional, trading and pricing arrangements. The main focus is a two year CEDA project with Uniwater (Melbourne and Monash) and Harvard Universities.



REVIEW OF OPERATIONS

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- Broadband and digital information – an ongoing monitoring of alternative strategies and implementation of improved telecommunications and media policies, including as they relate to the proposed National Broadband Network.
- Climate change and energy – emissions trading versus an explicit carbon tax.
- Infrastructure development and effective private-public partnerships (PPPs).
- Australia's fiscal architecture, including resource and other taxation, the ongoing global financial issues, and their implications for Australia.
- The use of income and asset contingent loans as a financing mechanism for paid parental leave, mature age education, retraining and health insurance.

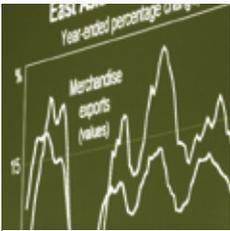
Each topic is an area with a need for independent debate and where CEDA ideas and discussions can have a major impact on Australia's economic and social wellbeing.

CEDA Research and Policy is aimed squarely at leveraging CEDA's convening and networking capacity across all sectors of the community concerned with Australia's economic performance. CEDA's appointment of a new Research and Policy Council, and expert Water Panel, and a major funded water project with key universities in Australia and overseas, reflects the concern to link with leading thinkers and experts across the key economic and social concerns.

CEDA's reputation as an objective and credible participant in the public policy debate has been expanded in 2009–10, with the increased targeting of key issues via opinion/editorials and other media contributions in newspapers such as *The Australian Financial Review* and *The Australian*. CEDA contributions have successfully contributed to the debate in connection with broadband and the NBN, economic governance, resource taxes, carbon taxes and the financial and regulatory dimensions to the GFC.



Dr Michael Porter, CEDA Research and Policy Director, at CEDA Big Issues Roundtable Briefing, November 2009.



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Research and Policy priorities

Water

CEDA members rank water as the number one priority area. Tens of billions of state and federal taxpayer dollars are allocated to water issues, infrastructure investments and buybacks. Additionally, many solutions to long term water security involve tapping into oceans and recycling options, both of which are energy intensive, involving pumping and membrane filtering, and whose financing demands new pricing structures. Yet energy itself is also under policy challenge, as countries seek to address global warming through reduced greenhouse gas emissions. The CEDA Water Panel has therefore resolved to approach the water and energy challenges together – with short, medium and long term scenario and policy development.

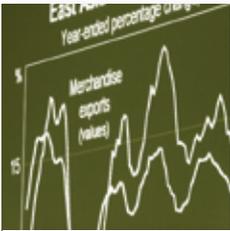
The *Australian Water Project* will conduct independent analysis into Australia's water issues and options. The collaboration between CEDA, Uniwater (Monash and Melbourne Universities) and Harvard University will assess the priorities and options for water supply policies across Australia. The two-year project will engage experts and build on existing resources to deliver a series of policy related forums and a two-part research volume.

Australia's fiscal architecture

In 2009–10 the extraordinary run of international financial failures, and a loss of liquidity and confidence arising from the Global Financial Crisis, have quickly turned our surplus-oriented federal and state governments on to a deficit path. The flow-on in Europe and the US in terms of unemployment and debt has created far greater crises than in Australia, but the debate on the proper balance between fiscal stimulus and debt management continues to be central at state and federal levels.

Dr Ken Henry AC, Secretary, Department of the Treasury, at Australia's Future Tax System Review, Sydney October 2009.





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Key aspects of the Australia's Future Tax System Review, led by the Treasury Secretary, Dr Ken Henry AC, have yet to be given full public consideration and scrutiny. CEDA Research and Policy is looking beyond the recent economic, financial and political turmoil to consider a number of aspects to Australia's tax system, along with analysis of more effective and efficient options on the spending side. CEDA Research and Policy argued debt management was now the priority, and to restore policy focus on measures to enhance productivity and efficiency.

Climate change and energy – emissions trading versus a carbon tax

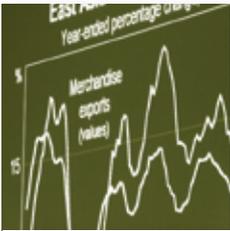
A Taxing Debate: Climate policy beyond Copenhagen in August 2009, reviewed and compared trading schemes for carbon credits or permits with a more explicit tax on greenhouse gas emissions.

The CEDA Research paper in the volume argues that while superficially a greenhouse gas (GHG) emissions trading scheme such as the CPRS is more of a market solution than a tax on carbon emissions, the facts go the other way. This is because the process for issuing GHG permits and credits would encourage all manner of rent-seeking and bureaucracy, and leads to the prospect of maintaining emissions by importing credits from jurisdictions with a poor history of financial governance. The cap-and-trade system for trading carbon credits is essentially a market in derivatives of carbon trades, and as the GFC has demonstrated, has a potential for unintended financial consequences that could in fact create a "carbon derivatives bubble" rather than reduced emissions.

A tax can also be phased in gradually, as most economists agree it is appropriate in contrast to a rapid wipe-out of industries with emissions intensive activities. While there is dispute over the extent to which man-made GHG are responsible for global warming, there is no dispute that variations in the precise timing and location of policies will have any predictable consequences. In contrast a policy of taxing emissions and rebating taxes or funding new technology will have far more predictable impacts.

The CEDA Research document argues that the CPRS is not trading carbon emissions, but carbon credits, and derivatives of financial obligations relating to greenhouse gases. In 2009, the world reeled from the pass-the-parcel dimension to trade in housing-backed derivatives, from an over-financed US housing sector. It is not timely to be advancing a carbon derivatives model that suppresses incentives to reduce emissions and in fact creates the capacity for governments to issue privileges. It is not surprising that the CPRS has political legs, given that the burdens on consumers are suppressed and rents created and allocated.

The paper by Geoff Carmody in the CEDA volume, and the modelling by Access Economics (commissioned by CEDA) on the workings of a carbon tax, plus general considerations of economic efficiency all establish a powerful case for Australia developing a Plan B for dealing with community pressures to reduce GHG emissions. Far larger emissions reductions can be achieved for a given cost to GDP under an explicit carbon tax compared with a heavily compromised ETS (see modelling for CEDA by Access Economics, *Preliminary economic modelling of a national consumption-based approach to greenhouse gas emissions*, August 2009).



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Infrastructure development and the effective engagement of public-private partnerships

Infrastructure is a priority topic for CEDA, given the backlogs, complexities, risks and regulatory processes that can characterise infrastructure investment. A recent example of the challenge to the public-private partnerships (PPPs) model has arisen because of the effective closure of private and international debt markets post the GFC in September 2008 and the only gradual opening since that time. This made private sector finance contributions to PPPs problematical. On the positive front, and as shown with the desalination plant PPP in Melbourne, there are transitional models where a higher proportion of risk is taken by government, and where subsequent capital gains are captured by government when projects are transferred into private infrastructure funds. This example that CEDA Research has advanced demonstrates that well structured infrastructure PPPs can in fact be debt-reducing once refinance occurs at lower capital costs, despite government initiating expenditure and taking construction risk.

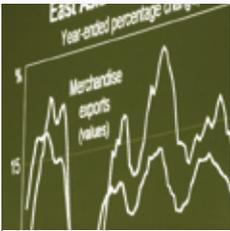
There are, however, many cautions regarding PPPs. CEDA looks to facilitate policy and planning dialogues in this area as Australia tackles what is widely deemed to be a backlog in infrastructure. In addition there is a further need for investment in infrastructure as population expands in metropolitan areas and as Australia's resources sector continues to grow, backed by strong long-term demand from China and India for our mineral resources.

Broadband and digital information

CEDA is advancing broader telecommunications options and strategies that will enable better outcomes from expanded and competitive use of copper, HFC cable, wireless (including mobiles) and new fibre-based systems such as the proposed National Broadband Network (NBN). CEDA's initial report, *Growth 60: Australia's Broadband Future – Four doors to greater competition* (2008), and submission to the Government's National Broadband Network Regulatory Review (2009) outlines how information services can be far better delivered on existing technology and how the rollout of fibre can be implemented within sound competition principles.



From left: Geoff Allen AM, Chairman, CEDA; Hon Lindsay Tanner MP, Minister for Finance and Deregulation; Professor Richard Petty FCPA, President, CPA Australia. At the State of the Nation, Canberra, June 2010.



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A key option advanced by CEDA Research and Policy is that there be competition across alternative broadband infrastructures, extracting competitive value from the hybrid fibre-coaxial (HFC) cable. To date cable largely delivers only TV via Foxtel. But with DOCSIS 3.0 cable can offer speeds about 10 to 50 times faster than received by most households on ADSL2+. This can create real competition, along with 4G mobiles using bandwidth released by closure of analogue TV and other old uses of bandwidth. CEDA Research and Policy has developed concrete proposals that would grow the broadband market.

Economic and Political Overview

CEDA's *Economic and Political Overview*, Australia's pre-eminent annual briefing on the nation's economic and political outlook, has been published for 30 years.

In the economic overview for 2010, NAB Chief Economist Alan Oster and his colleague, Ben Westmore, analysed the tentative recovery in the global economy. Their outlook was for a 'moderate and disparate' upturn in activity over the next few years, with global GDP forecast to grow by 3.2 per cent in 2010 rising to 3.5 per cent in 2011. They cautioned that the challenge globally would be winding back stimulus spending once recovery is well entrenched.

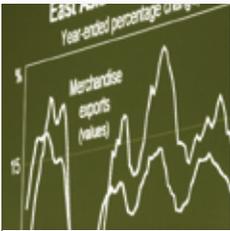
In his political overview, Professor Kenneth Wiltshire AO, JD Story Professor of Public Administration, University of Queensland Business School, reviewed the Rudd government's performance along with the Opposition leadership turmoil in 2009.

Peter Jonson, prominent Company Director and Founder and Editor of *henrythornton.com*, delivered a feature report on macro-economic performance, central banking and the global financial crisis (GFC). Jonson traced the root causes of the GFC, the warning signals we failed to heed and critiqued the policy response.

CEDA Research and Policy Director, Dr Michael Porter, mounted the case for a return to the path of rigorous policy reform over the previous 30 years, which had enabled Australia to successfully withstand the recent external economic



The Hon Julia Gillard MP, Prime Minister (then deputy), interviewed by Alex Malley FCPA, CEO of CPA Australia at Positioning Australia for the 21st Century, Sydney December 2009.



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shocks. He argued that model of accountability and efficiency should now be extended to infrastructure and social program development. Improved partnership models have been evolving in public and private sectors worldwide, avoiding big government and big deficits, but demanding commitment to sound governance with more localised and private sector finance. Whether it is broadband or higher education, locally managed hospitals or insurance reforms, infrastructure or human capital investments, the beneficial contribution from government is rarely extra funding but rather sound structure and implementation. The structuring should follow independent analyses of options, and their costs and benefits under alternative models of finance.

Finally, CEDA Research Fellow, Professor Ian Marsh, reflected on the history of the *Economic and Political Overview*, delivering an insightful audit of three eventful decades of policy debate and reform.

Contribute to CEDA Research

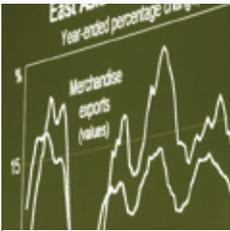
Consistent with its founding principles, CEDA publishes objective analyses of key issues critical to Australia's economic development. CEDA produces well-informed, research-based publications and brings together an international and distinguished network of academic and applied expertise, including some of the world's most creative thinkers.

Through its forums and publications, CEDA reaches many tens of thousands of Australians each year. CEDA's independence provides it with the capacity to speak candidly to government at federal and state level, unhindered by vested interests.

Contributions are welcome from individuals and companies and can be made to the general research fund or specific projects. CEDA is a deductible gift recipient, for donations over \$2, under the *Income Tax Assessment Act 1997*.



From left: Robin McClellan, State Director, Western Australia, CEDA; His Excellency Jeffrey L. Bleich, Ambassador to Australia, Embassy of the United States of America; Her Excellency Sujatha Singh, High Commissioner to Australia, High Commission of India. At the State of the Nation, Canberra, June 2010.



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CEDA Prize

To engage the brightest minds in the search for the best policy ideas, and to celebrate its 50th anniversary, CEDA in 2010 announced an annual prize for excellence in economics and public policy.

Many disciplines encourage students through awards prizes, scholarships and medals. It is common in the sciences and law, but not in the areas of special importance for CEDA. Awarded to the best postgraduates or honours students in economics and public policy in Australian universities, the award of \$5000 and an opportunity to participate in a panel debate at a CEDA forum will encourage excellence in these fields and promote continued study. CEDA will also publish the winning report. The prize will be presented at CEDA's 50th anniversary dinner in Melbourne in November, 2010. Submissions will be judged by CEDA Research and Policy Council members:

- Dr Glenn Withers AO, CEO, Australian Universities
- Professor Jonathan Pincus, The University of Adelaide
- Professor Ian Harper, Senior Consultant, Access Economics
- Dr Michael Porter, Director, CEDA Research and Policy



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Forum and event highlights

- *State of the Nation 2010* in Canberra, featuring: The Hon Tony Abbott MP, Leader of the Opposition; the Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government; the Hon Martin Ferguson AM MP, Minister for Resources and Energy, Minister for Tourism; Senator the Hon Nick Sherry MP, Assistant Treasurer; the Hon Lindsay Tanner MP, Minister for Finance and Deregulation; Senator the Hon Penny Wong MP, Minister for Climate Change, Energy Efficiency and Water.
- *Economic and Political Overview (EPO)*, CEDA's yearly stocktake of national and global economic and political trends, featured analysis of Australia's relative economic resilience in the aftermath of the global financial crisis, and examined the policy challenges ahead. State premiers and treasurers contributed to EPO conferences held across six capital cities.
- *Trade 2020: Australia's future in the global economy*. This important collaboration between Austrade and CEDA sought to develop ideas on how best to position Australia to capture trade and investment opportunities in a volatile global economy. The project began with a conference in Melbourne in August, featuring the Minister for Trade, the Hon Simon Crean MP, and carried forward into high-level strategic discussions with CEDA trustees and other business and academic leaders in Adelaide, Brisbane, Perth, Sydney and Hobart.
- In August 2009, on his first official visit, the New Zealand Prime Minister, the Rt Hon John Key MP, delivered a speech to a CEDA event in Melbourne on the vital importance of closer trans-Tasman co-operation in meeting the challenges of difficult global economic times.
- In March 2010, in Sydney, the Governor-General, Her Excellency Ms Quentin Bryce AC, launched the CEDA *Women in Leadership* series, aimed at advancing the cultural and organisational changes required to recognise the value of women in leadership roles and help to accelerate the flow of women into leadership and senior management positions.
- At a CEDA event in Canberra in October, 2009, the Chair of the National Water Commission, Ken Mathews AO, delivered the national report card on the progress of Australian governments in meeting their commitments to improved water planning and management.
- In Sydney in October, 2009, Treasury Secretary, Dr Ken Henry AC, addressed CEDA on *The Lessons of Tax Reform*. This was Dr Henry's last public presentation before delivering to Treasurer Wayne Swan the final report of the Australia's Future Tax System Review.
- In May 2010, in Adelaide, then deputy Prime Minister, the Hon Julia Gillard MP, acknowledged CEDA's 50-year contribution to the nation's political and economic life, and its role in informing the policy debates that helped drive Australia's post-war prosperity.



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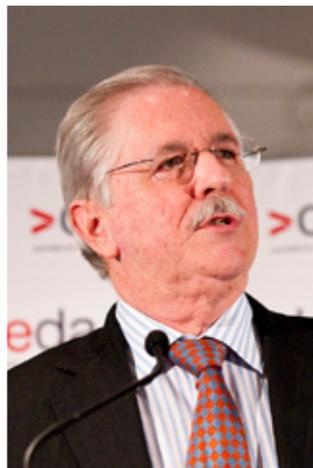
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- In February 2010, CEDA launched a series of debates on controversial proposals by the Queensland Government to sell-off \$15 billion of public assets. Centred on the future of Queensland Rail, State Treasurer, the Hon Andrew Fraser MP, outlined the rationale for the Government's decision, with Professor Ian Harper from Access Economics and Rod Sims from Port Jackson Partners arguing the economic benefits of privatisation. Queensland Council of Unions' Ron Monaghan and the University of Queensland's Professor John Quiggin questioned the wisdom of private management.
- In June 2010, CEDA's *Inventing the Future* series in Perth focussed on the rise of China as a global trading power, with the Minister for Foreign Affairs, the Hon Stephen Smith MP, speaking on the investment framework for Chinese companies in Australia.

Overview

CEDA national forums and events have become the premier meeting-place for leaders from government, business, academia and the broader community to discuss in detail the policy challenges crucial to Australia's economic future. CEDA forums and events represent an invaluable network for debate and dissemination of the latest economic policy thinking, and for extensive exchanges on the impact of policy choices on the ground. They provide the platform for detailed feedback to political leaders, and offer business leaders the opportunity to gain direct insights into the framework for policy deliberations, helping them to make more informed decisions.

CEDA ran 292 events in 2009–10. Together, these forums and events attracted over 22,000 participants. One of the largest, the launch of *Women in Leadership* in Sydney, attracted 700 guests to hear the Governor-General, Her Excellency Ms Quentin Bryce AC, discussed the importance of women in senior management and leadership roles. Other key themes featuring in CEDA forums and events in 2009–10 were Australia's trade outlook in a less predictable global economy, water reforms, broadband, climate change and tax reform.



Left: Her Excellency Ms Quentin Bryce AC, Governor-General of the Commonwealth of Australia, at *Women in Leadership*, Sydney, March 2010.

Right: Dr Glenn Withers AO, Chief Executive Officer, Universities Australia, at *Education as a Driver of Economic Growth*, Melbourne, November 2009.



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Trading in a tougher global economy

Australia's trade performance in the midst of an uncertain global economic outlook served as the critical policy focus at a series of CEDA conference events across Australia in 2009–10.

The project began in Melbourne in late August, with the *Trade 2020* project, a collaboration between Austrade and CEDA to develop ideas on how best to position Australia to capture trade and investment opportunities in more testing global economic conditions. Facilitated by the ABC's Ali Moore, the conference showcased an exceptional line-up of trade and international affairs experts for panel and audience discussion. Those who took part included: the Minister for Trade, the Hon Simon Crean MP; former Clinton adviser, Dr Robert Shapiro (via videolink from the US); Access Economics Director, Chris Richardson; Founder and Chairman of IBISWorld, Phil Ruthven; and Professor Denise Bradley AC, Chair of the Review of Australian Higher Education.

Themes included the need for Australia to embrace a borderless economy and avoid protectionism, the importance of making good the opportunities of digital e-commerce, and an assessment of the pace and durability of recovery from the global financial crisis. Will the recovery be V, U or W shaped? What will be the impact of China on the Australian economy?

Strategic dialogue sessions with CEDA trustees and other business and academic leaders followed in September and October in Adelaide, Brisbane, Perth, Sydney and Hobart. The dialogues examined barriers and potential opportunities in developing human capital (tertiary and vocational education), accessing global supply chains, financing trade and investment and promoting innovation. A summary of the debates was presented to Minister Crean at Parliament House in Canberra in November.



The Hon Simon Crean MP, Minister for Trade, at Trade 2020, Melbourne, August 2009.



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In August in Melbourne, the New Zealand Prime Minister, the Rt Hon John Key MP, gave a speech to CEDA citing greater economic integration across the Tasman as a strength that would help New Zealand and Australia withstand the global economic storms. The Prime Minister said it was vital to join forces to meet new and pressing challenges in global trade and investment, as well as sending a clear message that our economies are open and will stay open for business. "It will provide an important springboard for our companies to the world," Mr Key said.

In June 2010, CEDA's *Inventing the Future* series in Perth focussed on the rise of China as a global trading power; as a customer, investor and competitor. The Minister for Foreign Affairs, the Hon Stephen Smith MP, spoke of the importance of China to Australia's export sector, and highlighted the rapid growth in approvals of Chinese investment proposals. Rowan Callick, Chief Foreign Editor for *The Australian*, stressed the importance of understanding the power dynamic within China under the Communist Party, while Adam Handley, of Corrs Chambers Westgarth, spoke of the need for greater cultural intelligence on China. The event was held in conjunction with the Australia China Business Council.

In May 2010 in Sydney, ANZ CEO Mike Smith provided his perspective on the opportunities and benefits from Australia's strong ties with the Asia Pacific region. Mr Smith said the global financial crisis had elevated Asia as a vital economic zone and described Australia as well positioned to benefit from economic advancement in China and India. The prospects for long-term growth in private demand in Asia also remained strong, with predicted regional growth of almost 8 per cent.

Professor Gary Sampson, John Gough Chair in the Practice of International Trade, Melbourne Business School, at Trade 2009, Melbourne, August 2009.



From left: Frank Tudor, National Chairman, Australia China Business Council; Rowan Callick, Asia-Pacific Editor, The Australian; Adam Handley, Partner and Chair of Energy and Resources Industry Group, Corrs Chambers Westgarth, at China: Partner, Customer, Investor, Competitor, or All of the Above? Perth, June 2010.





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Tax reform: past and future

In October 2009 in Sydney, Treasury Secretary Dr Ken Henry AC, addressed CEDA members and guests in his last public speech before delivering the Final Report of Australia's Future Tax System Review to the Federal Government in December. Tasked with a "root-and-branch" review of the profound demographic, social, economic and environmental challenges of the coming decades, Dr Henry highlighted five lessons learned from past efforts at tax reform: the case for tax reform should be compelling; uncertainty and risk impose costs too; the importance of simplifying the tax system; perceptions of equity matter a lot; and tax and transfer reform is needed to give our governments the right tools to cope with the big changes underway globally. He stressed successful tax reform was not just about increasing GDP or revenue, or making the system easier to understand, or more sustainable, or fairer, or better able to assist governments to address various social problems. It had to seek to deliver on all of these elements over time.

In June 2010, CEDA held forums in Perth and Brisbane on a contentious initiative to emerge from the tax review – the Resources Super Profits Tax. CEDA Western Australia hosted the Hon Gary Gray AO MP, Parliamentary Secretary for Western and Northern Australia; Dr Brian Fisher, Managing Director of BAE Economics; and Julian Tapp, Head of Government Relations at Fortescue Metals. Speakers at the Queensland forum included Michael Roche, Chief Executive of Queensland Resources Council; Professor Flavio Menezes, Head of the School of Economics, University of Queensland; and Tom Seymour, Resources Tax Specialist and Senior Partner at PricewaterhouseCoopers.

Water

At a CEDA event, in October in Canberra, the Chair of the National Water Commission, Ken Mathews AO, delivered the national report card on progress by Australian governments on their commitments to improve water planning and management. "The Australian community knows that all is not well with Australian

The Hon Tim Holding MP, Minister for Water, Minister for Finance and Minister for Tourism and Major Events, at Desalination: Securing Victoria's water supply, Melbourne, April 2010.





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water reform," Mr Mathews said. The Australian community probably intuitively knows also, that water reform is complex and detailed and that there is no silver bullet."

His report outlined over 100 findings and 68 recommendations for governments to push reforms further or faster, to grapple with issues including over-allocation of water resources, environmental water needs, structural adjustment pressures affecting rural communities, urban water challenges, and the particular challenges facing the mining and industrial sectors.

In April, in Melbourne, Victoria's Minister for Water, the Hon Tim Holding MP, spoke at a CEDA event on desalination as one response to water scarcity in periods of low rainfall.

A panel of industry and academic experts also explored the themes of water security, the limitations of demand management, recycling and irrigation infrastructure, the role of pricing, and the pros and cons of public and private ownership. Mr Holding highlighted the economic potential of the virtual trade in water, and Australia's position as a leader in expertise, technology, and water management. "This is the opportunity for Australia. If we get water right in terms of our agricultural sector then we will have an economic edge on the rest of the world," he said.

In May, CEDA Adelaide hosted the federal Minister for Water, the Hon Penny Wong MP, to discuss the status of water security and the challenges of climate change for Australia and the world.

Women in leadership

In March 2010, the Governor-General, Her Excellency Ms Quentin Bryce AC, launched the CEDA *Women in Leadership* series, aimed at promoting the cultural and organisational change required to recognise women as leaders and help accelerate the flow of women into leadership and senior management positions. More than 700 people attended the lunch held in Sydney.



Left: Senator the Hon Penny Wong MP, Minister for Climate Change, Energy Efficiency and Water, at the State of the Nation, Canberra, June 2010.

Right: Attendees at Women on boards: Promoting gender diversity event, Sydney, June 2010.



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The Governor-General said there was still some way to go before genuine equality of access and opportunity was achieved. "I think we've reached a point where women – and certainly many men too – are asking, 'What progress have we actually made towards ensuring women's equal participation in society, particularly in leadership and key decision making roles?' She stressed the importance of successful women as role models in building leadership skills and capacity.

Fifty years of CEDA

In Adelaide in May, then Deputy Prime Minister, the Hon Julia Gillard MP, acknowledge CEDA's long-standing role in public life, including scrutiny, analysis and critique of governments of all persuasions. "Fifty years is truly worthy of celebration and reflection," she said. "And CEDA has seen it all, participated in much of it and certainly contributed to the prosperous and secure Australia we all enjoy in 2010. I commend CEDA on your achievements of the last 50 years. May the 50 years ahead see CEDA's contribution to the body politic of Australia be even more substantial."



David Byers, Chief Executive, CEDA, at the State of the Nation in Canberra, June 2010.



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Sponsorship

CEDA would like to thank the following organisations for their additional support of our forums and events through the year.

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ANZ
Aon Risk Services Australia
Australian National University
Baker & MacKenzie
Coffey International
Commonwealth Bank of Australia
CPA Australia
CSC
EnergyAustralia
Gartner Asia Pacific
GHD
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GlaxoSmithKline Australia
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IBM Australia
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Dept of Primary Industries
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Electranet
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City of Greater Geelong
Clayton Utz
Committee for Geelong
CPA Australia
Deakin University
Department of Innovation, Industry, Science and Research
EPA Victoria
Ernst & Young
Export Finance and Insurance Corporation
Marsh Pty Ltd
Medibank Private
Mercer
Middletons
MMC
Norton Rose Australia
Office of Knowledge Capital
Parks Victoria
Rio Tinto
Rural Finance Corporation
SAHA International
TressCox Lawyers
TRUenergy

Western Australia

Bateman Beijing Axis
BHP Billiton Iron Ore
Clayton Utz
Committee for Perth
Commonwealth Bank
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Lavan Legal
Murdoch University
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Shell
The Chamber of Minerals and Energy of WA



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Media coverage

CEDA's role as a platform for debate and thought leadership on economic policy is making greater inroads into cyberspace, with almost an 80 per cent increase over the past year in media mentions of CEDA and its policy ideas in internet traffic. Discussion of CEDA policy forums and events featured regularly also in print, television and radio, including CEDA Research and Policy analysis carried prominently in the opinion pages of the nation's leading newspaper titles. High-profile speakers at CEDA events continued to generate strong media interest, both at home and internationally, with praise for CEDA's 50-year tradition as an independent, non-partisan source of sound ideas for economic policy reform.

I commend CEDA on your achievements of the last 50 years. May the 50 years ahead see CEDA's contribution to the body politic of Australia be even more substantial.

In the present day, I know CEDA will continue to critique government policies and we welcome the analysis and scrutiny.

Then Deputy Prime Minister, the Hon Julia Gillard MP, Adelaide

With more than 25,000 events organised and more than 2000 papers published since its creation in 1960, the Committee for the Economic Development of Australia has well and truly lived up to its ambition to be an 'entrepreneur of ideas'.

Leader of the Opposition, the Hon Tony Abbott MP, State of the Nation, Canberra

CEDA yesterday launched a 150-page document savaging ETS schemes. Director David Byers suggests the choice of an ETS over a carbon tax reflects the politics rather than the economics of climate change. "The political appeal of cap-and-trade emissions trading schemes is that they hide the true costs to consumers," he says.

Michael Stutchbury, Economics Editor, The Australian

Vast efficiency gains and expansion of the pie can flow from real competition, while enabling shareholders to partake in all three parts of the broadband business... and all this without Messrs Conroy or Swan spending any of our \$43 billion.

Dr Michael Porter, CEDA Research and Policy Director, Business Spectator

The chief executive of the commercial property business for Stockland, John Schroder, said in a speech at the Committee for Economic Development of Australia during the week that as the baby boomers (who turn 65 next year) entered retirement, there would be an increase in demand for higher quality, more innovative living solutions with greater access to essential community services.

Business Day, Sydney Morning Herald

The CEO of Origin Energy, Grant King, explicitly predicted the price rises in an important speech to CEDA – the Committee for the Economic Development of Australia – in Sydney on Tuesday.

King also noted that our "traditional fuels" for electricity generation, otherwise known as coal, would get more expensive as they were "repriced to much more internationally consistent pricing".

Terry McCrann, Herald Sun



REVIEW OF OPERATIONS

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CEDA is a member of an international network of independent, business-based public policy organisations. This network shares knowledge and research, and provides CEDA and its members with important links into international business.

China	China Institute for Reform and Development
Finland	Centre for Finnish Business and Policy Studies
France	Institut de L'Entreprise
Germany	Institut der Deutschen Wirtschaft Köln
Japan	Keizai Doyukai
Latin America	Consejo Empresario de América Latina
Portugal	Forum de Administradores de Empresas
South Africa	National Business Initiative
Spain	Círculo de Empresarios
The Netherlands	SMO Society and Enterprise Foundation
United States	Committee for Economic Development

Each year the International Counterparts network holds a conference to discuss a major policy issue relating to global and regional economic development. CEDA sends a delegation each year, and CEDA members can attend.

In 2009, the conference took place in Johannesburg, South Africa, co-hosted by the National Business Initiative and Business Leadership South Africa.

The topic explored by the counterparts: "Is Business a Trusted Social Partner? Responsible Leadership for Sustainable Growth and Development."

The Australia-New Zealand Relationship: CER and SEM as a means of building productivity, Melbourne, August 2009.





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Board of Directors

Geoff Allen AM (National Chairman, CEDA)

Founder and Director, The Allen Consulting Group

Dr Rufus Black

Master, Ormond College at The University of Melbourne

David Byers

Chief Executive, CEDA

Ian Ferres

Consultant, TressCox Lawyers

Anne Howe

Chief Executive, South Australian Water Corporation

Adrian Kloeden

Chairman, Serco Asia Pacific

Dr Doug McTaggart

CEO, QIC Queensland Investment Corporation

Sally Pitkin

Consultant, Clayton Utz

John Poulsen

Managing Partner, Minter Ellison

Phil Ruthven

Founder and Chairman, IBISWorld

Tony Tobin

Consultant, Gilbert + Tobin

Dr Glenn Withers AO

CEO, Australian Universities

Lynn Wood

Chairman, Noni B Ltd

Damian Kelly (Company Secretary)

Finance Director, CEDA



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Board of Governors

Dr Klaus Albrecht

Martin Albrecht AC

Geoff Allen AM

Tim Besley AC

David Byers

Michael Chaney AO

Laureate Professor Adrienne Clarke AC

Ivan Deveson AO

Professor Julian Disney

Laureate Professor Peter Doherty AC

Peter Duncan

Rt Hon Malcolm Fraser AC

Professor Donald Gibson

The Hon Sir James Gobbo AC

The Hon Nick Greiner AC

Dr Allan Hawke AC

The Hon Robert Hawke AC

Elaine Henry OAM

Margaret Jackson AC

Graham Kraehe AO

John Langoulant AO

Catherine Livingstone AO

John Massey

Paul McClintock AO

Dr Stuart McGill

Andrew Mohl

David Mortimer AO

Dr Ken Moss AM

Sir Eric Neal AC

Maurice Newman AC

Sir Arvi Parbo AC

Professor David Penington AC

John Phillips AO

Dr Kerry Schott

Dr John Schubert

Dr Ziggy Switkowski

Richard Warburton AO

Peter Wills AC



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Leadership Team

David Byers
Chief Executive

Hamilton Calder
State Director, South Australia and NT; National Membership Director

Peter Fitzgerald
State Director, Victoria and Tasmania

Robert Fuller
State Director, Queensland

Damian Kelly
Finance Director and Company Secretary

Steven Liu
National Events Director

Robin McClellan
State Director, Western Australia

Dr Michael Porter
Research and Policy Director

Dr Suzanne Rickard
State Director, New South Wales and ACT

Eliza Spring
Marketing and Publications Manager

Committees

Audit and Risk Committee

Ian Ferres (Chair)
Consultant, TressCox Lawyers

David Byers
Chief Executive, CEDA

Damian Kelly
Finance Director and Company Secretary, CEDA

Dr Doug McTaggart
CEO, QIC Queensland Investment Corporation

Penny Stragalinos
Partner, KPMG



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Nominations and Remuneration Committee

Geoff Allen (Chair)

National Chairman, CEDA; Founder and Director, The Allen Consulting Group

David Byers

Chief Executive, CEDA

Adrian Kloeden

Chairman, Serco Asia Pacific

Sally Pitkin

Consultant, Clayton Utz

Research and Policy Council

Phil Ruthven (Chair)

Founder and Chairman, IBIS World

Percy Allan AM

Principal, Percy Allan & Associates Pty Ltd

Dr Rufus Black

Master, Ormond College at the University of Melbourne

David Byers

Chief Executive, CEDA

Dr Malcolm Edey

Assistant Governor (Financial System), Reserve Bank of Australia

Dr Vince FitzGerald

Chairman, Allen Consulting Group

Professor Joshua Gans

Melbourne Business School

Professor Ian Harper

Director, Access Economics

Jane Hemstritch

Company Director

Professor Warwick McKibbin

The Australian National University

Dr Doug McTaggart

CEO, QIC Queensland Investment Corporation

Mary Ann O'Loughlin

Executive Councillor and Head of Secretariat, COAG Reform Council

Professor Jonathan Pincus

Visiting Professor, The University of Adelaide

Tony Parkinson

Policy and Communications Manager, CEDA



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Dr Michael Porter

Research and Policy Director, CEDA

Professor Stephen Sedgwick

Australian Public Service Commissioner, Australian Public Service Commission

Rod Sims

Director, Port Jackson Partners Ltd

Professor Kenneth Wiltshire AO

J.D. Story Professor of Public Administration, The University of Queensland

Dr Glenn Withers AO

CEO, Australian Universities

State Councils

New South Wales and ACT

Tony Tobin (Chair)

Consultant, Gilbert + Tobin

Geoff Applebee

Company Director and Consultant

Angus Armour

Managing Director and CEO, Export Finance and Insurance Corporation

Professor Alec Cameron

Dean, Australian School of Business, University of NSW

Michael Coleman

National Managing Partner, Audit & Risk, KPMG

Simon Edwards

Director of Corporate Affairs, Microsoft Australia & New Zealand

Richard Harris

Director, RHI Pty Ltd

Andrew Horsley

CEO, Horsley & Company Pty Ltd

Michelle Hutton

CEO, Edelman Australia

Professor Andrew MacIntyre (Honorary ACT State President)

Dean of the College of Asia and the Pacific, Australian National University

Dr Suzanne Rickard

State Director NSW and ACT, CEDA

Stephen Walters

Chief Economist, JP Morgan

Paul McWilliams

Head of Corporate Support Services and Company Secretary, AGL



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Queensland

Sally Pitkin (Chair)
Consultant, Clayton Utz

Annabelle Chaplain
Director, Downer EDI

Robert Fuller
State Director Queensland, CEDA

Mark Gray
Executive Director, BDO

Neil Hatherly
Managing Director, RNH Consulting

Peter Honeycombe
Managing Director, Honeycombes Property Group

Paul Lindstrom
Managing Partner, PricewaterhouseCoopers

Dr Doug McTaggart
CEO, QIC Queensland Investment Corporation

Jan Taylor
Principal, JTA Australia

Alan Tesch
Associate Director-General, Department of Transport and Main Roads

Professor Kenneth Wiltshire AO
JD Story Professor of Public Administration, The University of Queensland

South Australia

Anne Howe (Chair)
CEO, South Australian Water Corporation

Professor Michael Barber
Vice Chancellor, Flinders University

Mark Butcher
Managing Partner SA, Ernst & Young

Hamilton Calder
State Director South Australia, CEDA

Jeffery Clayton
Director, Clayton Management

Julia Davison
CEO, WorkCover Corporation

Richard Hockney
State General Manager/Retail & Business Banking SA/NT, Westpac Banking Corporation



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Nigel McBride

Managing Partner, Adelaide, Minter Ellison

Tom Phillips AM

CEO, South Australian Training and Skill Commission

Guy Roberts

Managing Director and CEO, Penrice Soda Products

Dr Roger Sexton

Executive Chairman, Beston Pacific Group

Ian Stirling

CEO, ElectraNet

Greg Tunny (Deputy Chair)

CEO, Leed Construction

Peter Vaughan

CEO, Business SA

Victoria and Tasmania

Ian Ferres (Chair)

Consultant, TressCox Lawyers

Dr Ron Ben-David

Chairperson, Essential Services Commission

Dennis Cliche

Managing Director, ConnectEast Pty Ltd

Dr Tim Duncan

Director, Hinton & Associates

Peter Fitzgerald

State Director Victoria and Tasmania, CEDA

Chris Gardner

Partner, Freehills

John Gillett

Senior Vice President, Director Business Lines & Major Projects Asia Pacific, URS Australia Pty Ltd

Adrian Kloeden

Chairman, Serco Asia Pacific

Heather Le Roy

General Manager Victoria, The Smith Family

David Loutit

Managing Director, Blueprint for Growth Pty Ltd

Diana Percy

Director, Vogel Percy & Co Pty Ltd

Dr Deborah Peterson

Deputy Secretary, Policy & Strategy, Department of Primary Industries



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Stephen Spargo

Partner, Allens Arthur Robinson

Greg Turnidge

Director and CEO, Close the Loop

Western Australia

John Poulsen (Chair)

Managing Partner, Minter Ellison

Robin McClellan

State Director Western Australia, CEDA

Virginia Christie

Senior Representative WA, Reserve Bank of Australia

Ian Fletcher

Vice President External Affairs, BHP Billiton Iron Ore

Professor Tracey Horton

Dean, Business School, The University of Western Australia

Eve Howell

Executive Vice President, North West Shelf Venture, Woodside Petroleum

Alan Langford

Chief Economist, BankWest

John Langoulant AO

CEO, Oakajee Port and Rail

Professor Alison Preston

Director, Curtin Graduate School of Business

Ian Satchwell

Director, ACIL Tasman

Tim Shanahan

Director, Energy and Minerals Initiative, The University of Western Australia

Deidre Willmott

Group Manager Strategy and Government Relations, Fortescue Metals Group



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Overview

Over the past 12 months CEDA has focussed significant attention on improving its financial reporting capabilities. Our accounts now reflect improved disciplines in recording and reporting on our activities. We have focussed on controlling costs, identifying and implementing cost efficiencies, and targeting opportunities for improvement.

Efficiencies have been captured from online registration for CEDA events. The financial report for 2009–10 shows a solid surplus reflecting a good operating result in difficult prevailing economic circumstances and stronger financial disciplines.

Cash holdings have improved significantly over the period with over \$2 million in hand as at 30 June 2010.

Statement of Comprehensive Income

Revenue of \$7.050 million represents an approximate 12 per cent decrease on 2008–09. The most significant contributor to this decrease was reduced CEDA event revenue reflecting the impact of prevailing economic conditions on members and consequently lower attendances at seminars and conferences. Reduced revenue was offset by decreased conference variable expenditure.

Statement of Financial Position

Total members' funds (equity) continued to increase as a result of the solid surplus for the year. Total assets increased by \$590K to \$3.688 million.

Statement of cash flows

The balance of cash held at the reporting date was \$2.01 million – an improvement over FY2009.



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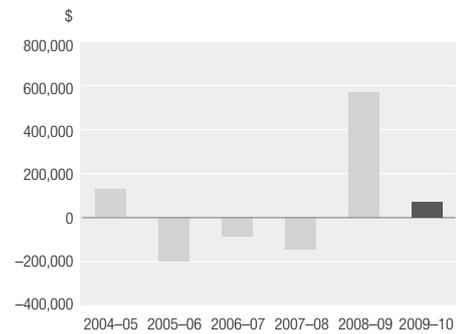
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Charts and commentary

Operating results

Year	Operating surplus / (deficit)
	\$
2004-05	124,482
2005-06	(198,815)
2006-07	(99,636)
2007-08	(146,559)
2008-09	582,368
2009-10	69,330

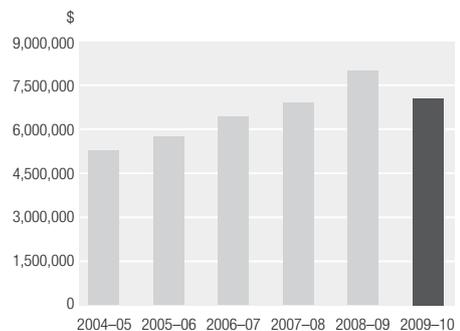


Operating Surplus recorded

The operating surplus for the year was \$69,330. In relative terms, comparison to 2008-09 requires adjustment for the payroll tax refunds received in the prior year. The operating surplus for 2009-10 was higher than 2008-09 by approximately \$12,000.

Total revenue

Year	Revenue
	\$
2004-05	5,293,698
2005-06	5,761,809
2006-07	6,399,678
2007-08	6,904,943
2008-09	7,985,507
2009-10	7,050,094



Revenue down

Conference revenue was down by 12 per cent on 2008-09, due to the effects of the prevailing economic climate.



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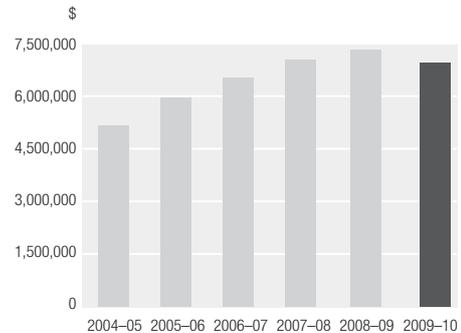
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Total expenditure

Year	Expenditure
	\$
2004-05	5,169,199
2005-06	5,960,624
2006-07	6,499,314
2007-08	7,051,502
2008-09	7,403,139
2009-10	6,980,764

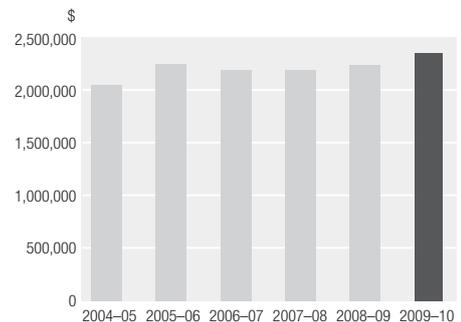


Servicing members

Cost savings, operational efficiencies and lower variable costs associated with events resulted in cost savings of 6 per cent compared to 2008-09.

Membership subscriptions

Year	Subscriptions
	\$
2004-05	2,047,456
2005-06	2,255,178
2006-07	2,197,510
2007-08	2,189,306
2008-09	2,249,253
2009-10	2,353,269

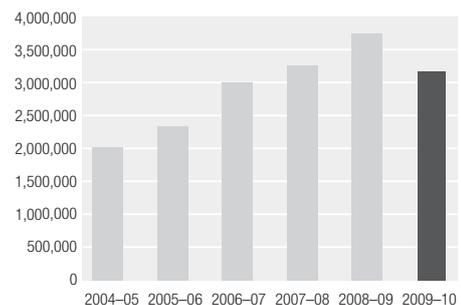


Member engagement

Membership subscriptions continue to show positive growth (5 per cent) for the year, reflecting the important position CEDA holds in the marketplace.

Conference registrations

Year	Registrations
	\$
2004-05	2,016,563
2005-06	2,336,130
2006-07	2,990,762
2007-08	3,262,184
2008-09	3,747,584
2009-10	3,166,630



High-quality events program

CEDA's wide-ranging and high-quality event program continued another successful year although attendances were affected by the prevailing economic conditions.



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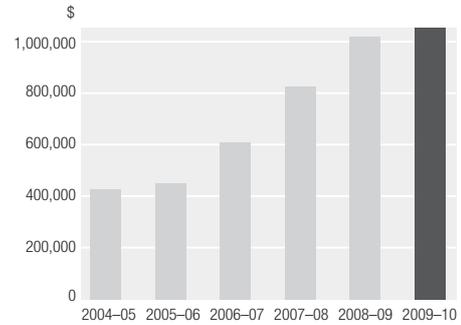
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Sponsorship income (conferences)

Year	Sponsorship Income
	\$
2004-05	434,107
2005-06	451,696
2006-07	613,931
2007-08	831,041
2008-09	1,040,636
2009-10	1,060,863

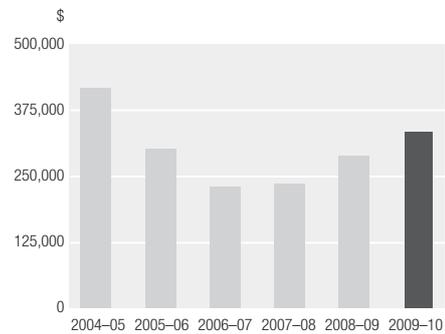


Sponsorship support

Sponsors continue to be attracted to CEDA's strong conference and event program that provides awareness and exposure in front of CEDA's high-level audiences. Total event sponsorship rose by 2 per cent in 2009-10 over 2008-09.

Research income (contributions and sponsorship)

Year	Research Income
	\$
2004-05	416,248
2005-06	302,780
2006-07	229,583
2007-08	235,313
2008-09	288,471
2009-10	335,104



Research support

Research income grew by 16 per cent in the reporting period over 2008-09, reflecting significant contributions towards CEDA research from the philanthropic sector and, in particular, generous support from the Yulgilbar Foundation for CEDA's water policy work.



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Committee for Economic Development of Australia
ABN 49 008 600 922

Concise Financial Statements

30 June 2010

The full financial statements and other specific disclosures are an extract of, and have been derived from, the full financial report of Committee for Economic Development of Australia (the Company) for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report.

The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

A copy of the Company's 30 June 2010 Annual Financial Report, including the independent audit report, is available via the Company's website (www.ceda.com.au) or can be sent to members without charge upon request. The 30 June 2010 Annual Financial Report can be requested by telephone on +61 3 9662 3544.



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Directors' Report

Your Directors have pleasure in presenting their report on the Company for the financial year ended 30 June 2010.

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

GD Allen AM			
DW Byers			
IN Ferres			
G Franklin	Resigned	30-11-2009	
N Hatherly	Resigned	30-11-2009	
A Howe			
AJ Kloeden			
D McTaggart			
AJ Poulsen			
PKG Ruthven			
G Withers AO			
L Wood			
T Tobin			
S Pitkin	Appointed	30-11-2009	
R Black	Appointed	30-11-2009	

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

The names of the main office bearers at the date of this report are:

President	GD Allen AM
Chair, Board of Directors	GD Allen AM

The name of the Secretary at the date of this report is:

D Kelly	Finance Director
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2) 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 entity 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. KPI's set aim to ensure goal congruence with the entity's objectives and are measured against audited results.



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Director's Report ...continued

3) Information on Directors:

Geoffrey D Allen AM National President and Chairman of the Board, CEDA
Founder and Director, The Allen Consulting Group P/L
Director, Lancemore Pty Ltd & Beyond Consulting (VIC) Pty Ltd
Director, Centre for Social Impact & Chairman, Victorian Advisory Board
Chairman, Australian Centre for Corporate Public Affairs
Director, European Centre for Public Affairs
Chairman, Australian Statistical Advisory Council
Deputy Chairman, Melbourne Business School

David W Byers Chief Executive Officer, CEDA

Ian N Ferres Consultant, TressCox Lawyers
Chairman, Australian Healthcare Investment Company Ltd, TDI Pty Ltd and Vianova Asset Management Pty Ltd (Advisory Board)
Director, Australian Unity Limited, Contango MicroCap Limited and St Vincent's Health (Melbourne)
Member, Australia Day (Victoria) Committee
President, The Australian Club

Gillian Franklin Managing Director, The Heat Group Pty Ltd
Director, Cosmetic, Toiletry and Fragrance Association of Australia
Director, Microsurgery Foundation
Director, Australian Grand Prix Corporation
Director, Melbourne Theatre Company
Chair, Audit & Risk Committee, Australian Grand Prix

Neil Hatherly Managing Director, RNH Consulting
Director, Runge Ltd
Director, Brisbane Transport
Director, Indooroopilly Golf Club

Anne Howe Director & Chief Executive, South Australian Water Corporation
Director, Botanic Gardens & State Herbarium of South Australia, Water Services Association of Australia, Water Quality Research Australia Ltd.
Member, South Australian Government Financing Authority Advisory Board, Stormwater Management Authority, Water Security Council, Govt Planning Co-ordinating Committee.

Adrian J Kloeden Chairman, Serco Asia Pacific Advisory Board
Member of Council, Deakin University
Chairman, Forestry Tasmania
Director, Infrastructure Partnerships Australia
Director, Greencap Limited



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Directors' Report ...continued

Douglas McTaggart	Chief Executive, Queensland Investment Corporation Councillor, National Competition Council Member, COAG Reform Council
A John Poulsen	Managing Partner, Minter Ellison Perth Advisory Board, Curtin University Graduate School of Business WA Council, Australia China Business Council Director & Deputy Chair, Volunteering WA
Phil KG Ruthven	Chairman, IBIS World Pty Ltd
Glenn Withers AO	Chief Executive Officer, Universities Australia Director, Higher Ed Services Pty Ltd, Australian Higher Education Associations Pty Ltd Adjunct Professor, Australian National University Director, Australian Services Roundtable ANZSOG Fellow
Lynn Wood	Chairman, Noni B Limited (ASX:NBL) Non Executive Director GPT Funds Management Ltd Syndicate Chairman CEO Institute
Tony Tobin	Consultant, Gilbert + Tobin, Lawyers Director, TT Line Company Pty Ltd Chairman, Asian Renewable Energy Management Limited Director, Northcare Foundation
Sally Pitkin	Director Export Finance and Insurance Corporation Director ASC Pty Ltd Director UniQuest Pty Ltd Director Aristocrat Leisure Limited Director SuperCheap Auto Group Limited Board Member Queensland Competition Authority Trustee Brisbane Girls Grammar School
Rufus Black	Master, Ormond College, The University of Melbourne Chairman, Teach for Australia Board member, Teach for All Inc (The Global Network for Expanding Educational Opportunity. New York) Chair, Human Research Ethics Committee, Walter and Eliza Hall Institute Member, Advisory Board, McDonald Centre for Theology, Ethics and Public Life in Oxford



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Directors' Report ...continued

4) Meetings of Directors:

	DIRECTORS' MEETINGS	
	Number eligible	Number attended
GD Allen AM	5	4
DW Byers	5	5
IN Ferres	5	5
G Franklin	2	1
N Hatherly	2	1
A Howe	5	1
AJ Kloeden	5	5
D McTaggart	5	5
AJ Poulsen	5	3
PKG Ruthven	5	4
G Withers AO	5	4
L Wood	5	5
T Tobin	5	4
S Pitkin	4	2
R Black	4	3

- 5) No significant changes in the Company's state of affairs occurred during the financial year.
- 6) The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 60.

Signed at Melbourne this 13th day of October, 2010
In accordance with a Resolution of the Board of Directors.

DIRECTOR  DIRECTOR 

GD Allen AM
Chair

IN Ferres
Director



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ABN 49 008 600 922

Statement of Comprehensive Income for year ended 30 June 2010

	NOTE	2010 \$	2009 \$
Revenue	2	7,050,094	7,985,507
Auditors' remuneration	3	(23,000)	(49,315)
Bad and doubtful debt expense	3	2,428	(39,207)
Depreciation and amortisation expense	3	(186,822)	(151,558)
Employee benefits expense		(3,450,411)	(3,257,474)
Finance costs	3	(14,146)	(15,582)
Lease expense	3	(678,804)	(549,113)
Research and related conferences and briefings expense		(1,707,387)	(2,387,305)
Other operating expenses		(922,623)	(953,585)
Profit / (loss) attributable to entity		69,330	582,368
Other comprehensive income		–	–
Total comprehensive income for the year		69,330	582,368

The notes on pages 55–56 are an integral part of these Financial Statements



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ABN 49 008 600 922

Statement of Financial Position as at 30 June 2010

	2010 \$	2009 \$
Current assets		
Cash and cash equivalents	2,010,175	1,660,011
Trade and other receivables	681,455	437,714
Other current assets	199,170	158,329
Total current assets	2,890,800	2,256,054
Non current assets		
Plant and equipment and leasehold improvements	615,350	716,770
Intangibles	182,555	105,505
Total non current assets	797,905	822,275
TOTAL ASSETS	3,688,705	3,078,329
Current liabilities		
Trade and other payables	1,005,980	939,482
Borrowings	18,259	18,259
Short-term provisions	145,128	153,439
Subscriptions and income in advance	1,771,291	1,298,719
Total current liabilities	2,940,658	2,409,899
Non current liabilities		
Borrowings	22,823	41,082
Long-term provisions	189,457	160,911
Total non current liabilities	212,280	201,993
TOTAL LIABILITIES	3,152,938	2,611,892
NET ASSETS	535,767	466,437
Equity		
Retained earnings / (Losses)	535,767	466,437
TOTAL EQUITY	535,767	466,437

The notes on pages 55–56 are an integral part of these Financial Statements



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Statement of Changes in Equity for year ended 30 June 2010

	Retained earnings \$	Total equity \$
Balance at 1 July 2008	(115,931)	(115,931)
Total comprehensive income	582,368	582,368
Balance at 30 June 2009	466,437	466,437
Total comprehensive income	69,330	69,330
BALANCE AT 30 JUNE 2010	535,767	535,767

The notes on pages 55–56 are an integral part of these Financial Statements



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Statement of Cash Flow for year ended 30 June 2010

	2010	2009
	\$	\$
Cash flows from operating activities		
Subscriptions	2,825,841	2,102,251
Research and related conferences and briefings	4,391,018	5,188,840
Payments to suppliers and employees	(6,735,774)	(7,228,305)
Interest received	64,494	28,197
Payroll tax refunds	–	525,091
Borrowing costs	(14,146)	(15,582)
Net cash provided by / (used in) operating activities	531,433	600,492
Cash flows from investing activities		
Proceeds from sale of plant and equipment	–	–
Purchase of plant, equipment and intangibles	(163,010)	(498,533)
Net cash provided by / (used in) investing activities	(163,010)	(498,533)
Cash flows from financing activities		
Proceeds from borrowings	–	73,035
Repayment of borrowings	(18,259)	(13,694)
Net cash provided by / (used in) financing activities	(18,259)	59,341
Net increase / (decrease) in cash held	350,164	161,300
Cash at beginning of year	1,660,011	1,498,711
CASH AT END OF YEAR	2,010,175	1,660,011

The notes on pages 55–56 are an integral part of these Financial Statements



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Notes to the Financial Statements for the year ended 30 June 2010

Note 1 Basis of preparation of concise financial report

The concise financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1039 Concise Financial Reports (AASB 1039). The financial statements and specific disclosures required by AASB 1039 have been derived from the Company's full financial report for the financial year. Other information included in the concise financial report is consistent with the Company's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The financial report is prepared on the historical cost basis.

A full description of the accounting policies adopted by the Company may be found in the Company's full financial report.

Use of estimates and judgements

The preparation of financial statement requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes of the full financial report:

- Note 1(c) – Impairment of Assets
- Note 5 – Trade and other receivables

Note 2 Revenue	2010	2009
	\$	\$
Operating activities		
Subscriptions	2,353,269	2,249,253
Research and related conferences and briefings	4,632,331	5,182,966
	6,985,600	7,432,219
Non-operating activities		
Interest – other persons	64,494	28,197
Payroll tax refunds	–	525,091
TOTAL REVENUE	7,050,094	7,985,507

During the financial year the Company was made aware of exemption provisions contained in the various Australian State Payroll Tax Acts to which the Company was entitled to claim based on its "Charitable" status. Subsequent requests for exemption from Payroll Tax, and refunds of previously paid tax, were submitted and approved in the states in which CEDA operates. The resultant refunds of tax previously paid amounted to \$525,091.



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Notes to the Financial Statements for the year ended 30 June 2010 ...continued

Note 3	Profit from ordinary activities	2009	2008
		\$	\$
Profit from ordinary activities has been determined after:			
a) Expenses:			
	Finance costs:		
	Other parties	14,146	15,582
		14,146	15,582
	Depreciation of plant and equipment	122,818	87,554
	Amortisation	64,004	64,004
	Doubtful debts – trade receivables	(2,428)	39,207
	Net (gain) / loss on disposal of plant and equipment	558	3,770
	Rental expense on operating leases:		
	Minimum lease payments	678,804	549,113
	Remuneration of the auditors:		
	Audit or reviewing the financial report	23,000	49,315
	Other services	–	–

Note 4 Company details

The registered office of the Company is:

10th Floor
St George Centre
60 Marcus Clarke Street
CANBERRA ACT 2600

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.



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Directors' Declaration

- 1) The directors of the Company declare that the financial statements and notes, as set out on pages 42 to 56 present fairly the Company's financial position as at 30 June, 2010 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.

This declaration is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Signed at Melbourne this 13th day of October, 2010

In accordance with a Resolution of the Board of Directors.

DIRECTOR

G.D. Allen AM
Chair

DIRECTOR

I.N. Ferres
Director

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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Independent Auditor's Report

To the Members of Committee For Economic Development of Australia

Report on the concise financial report

The accompanying concise financial report of Committee for Economic Development of Australia comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Committee For Economic Development of Australia for the year ended 30 June 2010 . The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors responsibility for the concise financial report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Committee for Economic Development of Australia for the year ended 30 June 2010. Our audit report on the financial report for the year was signed on 13 October 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the

financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion, the concise financial report of Committee for Economic Development of Australia for the year ended 30 June 2010 complies with Accounting Standard AASB 1039 Concise Financial Reports.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



David Ashmore
Director - Audit & Assurance Services

Melbourne, 13 October 2010

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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Auditor's Independence Declaration

To the Directors of Committee for Economic Development of Australia

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Committee for Economic Development of Australia for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



David Ashmore
Director - Audit & Assurance Services

Melbourne, 13 October 2010

National

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