committee for economic development of australia

Annual financial report

For the year ended 30 June 2016

Committee for Economic Development of Australia

ABN 49 008 600 922

Contents

Directors' report

Your directors have pleasure in presenting their report on the Company for the financial year ended 30 June 2016.

Directors

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

Paul McClintock AO	Chairman		
Stephen Martin	Chief Executive		
Angus Armour			
John Edwards			
Patricia Faulkner AO			
John Langoulant AO			
Rodney Maddock			
Sally Pitkin		Ceased	15 November 2015
Miriam Silva		Appointed	15 November 2015
Catherine Sinclair			
Diane Smith-Gander		Appointed	15 November 2015
Stephen Spargo AM			
Ian Stirling		Ceased	15 November 2015
Andrew Stevens			
Ian Watt AC		Appointed	27 April 2016

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

Company secretary

The following person held the position of company secretary at the date of the report:
David Thompson FCA – Appointed 27 April 2016.

Principal activities

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

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

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

To achieve these objectives, the 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.

Directors' report

Information on directors:

Paul McClintock AO	-	Chairman, CEDA
	-	Chairman, Myer Holdings Ltd
	-	Chairman, NSW Ports
	-	Chairman, I-MED Network
	-	Director, St Vincent's Health Australia Limited
	-	Director, The George Institute for Global Health
	-	Director, O'Connell Street Associates Pty Limited
Stephen Martin	-	Chief Executive, CEDA
	-	Chairman, Bank of China (Australia) Ltd
	-	Chairman, Board of Governors, Global Science and Technology Forum, Singapore
	-	Visiting Professorial Fellow, Sydney Business School, University of Wollongong
	-	Director, Men of League Foundation
	-	Committee Member, Men of League Foundation (Victorian Chapter)
Angus Armour	-	Principal Adviser, Business Council of Australia
	-	Member, Board of the European Australian Business Council
John Edwards	-	Visiting Fellow, Lowy Institute for International Policy
	-	Adjunct Professor, John Curtin Institute of Public Policy, Curtin Business School, Curtin University
Patricia Faulkner AO	-	Chair, Public Transport Victoria
	-	Chair, Jesuit Social Services
	-	Chair, Telecommunications Industry Ombudsman
	-	Deputy Chair, St Vincent's Healthcare, Australia
	-	Committee Member, Melbourne Racing Club
	-	Member, Commonwealth Grants Commission
	-	Board Member, Melbourne Theatre Company
John Langoulant AO	-	Chairman, Westpac WA
	-	Chairman, Government Employees Superannuation Board
	-	Chairman, Dampier to Bunbury Natural Gas Pipeline
	-	Chairman, Pawsey Supercomputing Centre
	-	Chairman, Committee for Perth
	-	Consultant, Curtin University
	-	Consultant, Deloitte
	-	Director, CCIWA
Rodney Maddock	-	Professor, Monash Business School, Monash University
	-	Vice Chancellor's Fellow and Professor, Victoria University
	-	Director, Australian Centre for Financial Studies
	-	President, Economic Society of Australia (Victoria)
Sally Pitkin	-	Adjunct Professor, University of Queensland Business School
	-	Director, Super Retail Group Limited
	-	Member, Queensland Competition Authority
	-	Director, Billabong International Limited
	-	President, Queensland Division, Australian Institute of Company Directors and Member, National Board
	-	Director, Echo Entertainment Limited
	-	Director, IPH Limited

Directors' report

Information on directors (continued):

Miriam Silva	-	Director, TAFE South Australia
	-	Director, South Australian Film Corporation
	-	Director, Islamic Museum of Australia
	-	Chair, Islamic College of South Australia
	-	Chair, Malek Fahd Islamic Schools
	-	Member, University of South Australia Council
	-	Member, South Australian Multicultural and Ethnic Affairs Commission
	-	Member, Premier's Council for Women (SA)
	-	Committee Member, Muslim Women's Association of South Australia
Catherine Sinclair	-	Director, The Consultancy Bureau Pty Ltd
	-	Chair, Residential Tenancies Authority (RTA)
	-	Councillor, The Royal National Agricultural and Industrial Association of Queensland
Diane Smith-Gander	-	Chairman, Broadspectrum Limited
	-	Chair, Safe Work Australia
	-	President, Chief Executive Women
	-	Director, Wesfarmers Limited
	-	Director, Keystart Loans Limited
	-	Non-Executive Director, Henry Davis York
	-	Adjunct Professor in Corporate Governance, University of Western Australia
	-	Board Member, UWA Business School Advisory Board
	-	Council Member, Methodist Ladies College
Stephen Spargo AM	-	Director, Stanbury Consultants Pty Ltd
	-	Director, The Royal Agricultural Society of Victoria Limited
	-	Director, Showgrounds Nominees Pty Ltd
	-	Director, The Florey Institute for Neuroscience and Mental Health
	-	Vice President, Melbourne Cricket Club
	-	President, Golf Victoria Ltd
	-	Director, National Sports Museum
	-	Director, Cormack Foundation Limited
Ian Stirling	-	Executive Chairman, Stirling Advisory Pty Ltd
	-	Director, SA Water Corporation
	-	Member, Advisory Board, University of Adelaide Business School
	-	Board Member, Botanic Gardens of South Australia
Andrew Stevens	-	Chairman, Advanced Manufacturing Growth Centre Limited
	-	Director, MYOB Group Limited
	-	Director, Thorn Group Australia
	-	Director, Australian Chamber Orchestra Limited
	-	Director, Greater Western Sydney Football Club Limited
	-	Member, Advisory Executive, UNSW Business School
	-	Member, Male Champions of Change
Ian Watt AC	-	Chair, BAE Systems Australia
	-	Chair, National Innovation and Science Agenda Implementation Committee
	-	Chair, International Centre for Democratic Partnerships
	-	Chair, Advisory Council of the SMART Infrastructure Facility at the University of Wollongong
	-	Director, Citigroup Pty Ltd
	-	Director, Smartgroup Corporation Limited
	-	Director, Grattan Institute
	-	Director, O'Connell Street Associates Pty Ltd
	-	Audit Committee Member, Australian National Audit Office
	-	Member, Male Champions of Change

Directors' report

Directors' meetings:

	Directors' meetings	
	Number attended	**Number eligible**
Paul McClintock AO	5	5
Stephen Martin	5	5
Angus Armour	5	5
John Edwards	4	5
Patricia Faulkner AO	4	5
John Langoulant AO	4	5
Rodney Maddock	4	5
Sally Pitkin	2	2
Miriam Silva	2	3
Catherine Sinclair	4	5
Diane Smith-Gander	3	3
Stephen Spargo AM	5	5
Ian Stirling	2	2
Andrew Stevens	5	5
Ian Watt AC	2	2

CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of winding up each member is liable for a sum not exceeding $500 towards meeting any outstanding obligations of the entity. At 30 June 2016 the collective liability of members was $375,000 (2015: $350,000).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 28, and forms part of the directors' report.

Signed at Sydney on 5 September 2016 in accordance with a Resolution of the Board of Directors.

DIRECTOR.

Paul McClintock AO
Chairman

DIRECTOR.

Stephen Martin
Chief Executive

Statement of profit or loss and other comprehensive income

For year ended 30 June 2016

	NOTE	2016 $	2015 $
Revenue	2	11,948,627	10,816,906
Depreciation and amortisation expense	3	(205,392)	(295,201)
Employee benefits expense		(4,939,348)	(4,679,344)
Lease expense	3	(711,427)	(696,764)
Research and related conferences and briefings expense		(2,908,514)	(2,664,732)
Other operating expenses		(1,422,845)	(1,338,560)
Profit / (loss) attributable to entity		1,761,101	1,142,305
Other comprehensive income		-	-
Total comprehensive income for the year		1,761,101	1,142,305

The accompanying notes form part of these financial statements.

Committee for Economic Development of Australia

ABN 49 008 600 922

Statement of financial position

As at 30 June 2016

	NOTE	2016	2015
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	9,113,648	7,334,358
Trade and other receivables	5	613,007	713,069
Other current assets	6	513,124	466,336
TOTAL CURRENT ASSETS		10,239,779	8,513,763
NON CURRENT ASSETS			
Plant and equipment and leasehold improvements	7	179,096	215,444
Intangibles	8	1031	155,960
TOTAL NON CURRENT ASSETS		180,127	371,404
TOTAL ASSETS		10,419,906	8,885,167
CURRENT LIABILITIES			
Trade and other payables	9	1,335,504	1,499,604
Short-term provisions	10	296,100	421,963
Subscriptions and income in advance	11	3,300,989	3,485,995
TOTAL CURRENT LIABILITIES		4,932,593	5,407,562
NON CURRENT LIABILITIES			
Long-term provisions	10	428,178	179,571
TOTAL NON CURRENT LIABILITIES		428,178	179,571
TOTAL LIABILITIES		5,360,771	5,587,133
NET ASSETS		5,059,135	3,298,034
EQUITY			
Retained earnings / (losses)		5,059,135	3,298,034
TOTAL EQUITY		5,059,135	3,298,034

The accompanying notes form part of these financial statements.

Statement of changes in equity
For year ended 30 June 2016

	$ Retained earnings	$ Total equity
Balance at 30 June 2014	2,155,729	2,155,729
Total comprehensive income	1,142,305	1,142,305
Balance at 30 June 2015	3,298,034	3,298,034
Total comprehensive income	1,761,101	1,761,101
Balance at 30 June 2016	5,059,135	5,059,135

Statement of cash flows

For year ended 30 June 2016

	NOTE	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		3,720,450	4,046,755
Research and related conferences and briefings		7,912,646	7,020,505
Payments to suppliers and employees		(9,974,368)	(9,059,106)
Interest received		198,326	173,238
Sundry income		32,261	66,112
NET CASH PROVIDED BY OPERATING ACTIVITIES	14(b)	1,889,315	2,247,504
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant, equipment and intangibles		(110,025)	(259,394)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(110,025)	(259,394)
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH HELD		1,779,290	1,988,110
CASH AT BEGINNING OF YEAR	14(a)	7,334,358	5,346,248
CASH AT END OF YEAR	14(a)	9,113,648	7,334,358

Notes to the financial statements

For year ended 30 June 2016

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Basis of preparation:

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

New, revised or amending accounting standards and interpretations adopted:

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

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

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

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

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

Accounting policies:

a) Plant and equipment, leasehold improvements

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

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

Notes to the financial statements

For year ended 30 June 2016

a) Plant and equipment, leasehold improvements (continued)

Depreciation

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

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

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

b) Leases

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

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

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

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

c) Impairment of assets

At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value.

Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.

d) Employee benefits

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

Notes to the financial statements

For year ended 30 June 2016

e) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f) Cash and cash equivalents

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

g) Revenue

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

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

Subscription revenue is progressively recognised over the term of the subscription with the unexpired portion treated as Subscriptions Income in Advance.

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

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

h) Goods and services tax (GST)

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

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

i) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

j) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Notes to the financial statements

For year ended 30 June 2016

j) Financial instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial *l*iabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

k) Significant management judgement in applying accounting policies

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

Key *e*stimates – *i*mpairment

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

Key *j*udgements – *d*oubtful *d*ebts *p*rovision

Based on best available current information and historical knowledge a doubtful debt provision of $10,000 has been made at 30 June 2016 (2015: $10,000).

l) Income tax

The company is exempt from income tax. Accordingly, no income tax expense, deferred or otherwise, or income tax payable amounts are recorded in the financial statements.

m) Going concern

The directors have prepared these accounts on a going concern basis for the 2016 financial year.

The financial report was authorised for issue on 5 September 2016 by the Board of Directors.

Notes to the financial statements

For year ended 30 June 2016

		2016	2015
		$	$
Note 2	REVENUE		
	Operating activities		
	Subscriptions	3,905,456	3,447,791
	Research and related conferences and briefings	7,812,584	7,129,765
		11,718,040	10,577,556
	Non operating activities		
	Interest – other persons	198,326	173,238
	Sundry income	32,261	66,112
	Total revenue	11,948,627	10,816,906
Note 3	PROFIT FROM ORDINARY ACTIVITIES		
	Profit from ordinary activities has been determined after:		
	Expenses:		
	Depreciation of plant and equipment	49,978	72,260
	amortisation	155,414	222,941
	Doubtful debts – trade receivables	6238	3145
	Net (gain)/loss on disposal plant and equipment	-	128
	Net (gain)/loss on disposal intangibles	95,910	-
	Rental expense on operating leases minimum lease payments	711,427	696,764
	Remuneration of the auditors:		
	Audit or reviewing the financial report	25,500	25,000
Note 4	CASH AND CASH EQUIVALENTS		
	Cash at bank and in hand	587,354	119,901
	Short term bank deposits	8,526,294	7,214,457
		9,113,648	7,334,358

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

Notes to the financial statements

For year ended 30 June 2016

		2016 $	2015 $
Note 5	TRADE AND OTHER RECEIVABLES		
	Trade debtors	476,380	577,064
	Sponsorship	-	-
	GST input credits	146,627	146,005
	Provision for doubtful debts	(10,000)	(10,000)
		613,007	713,069

Provision for doubtful debts	Total $
Opening balance at 1 July 2015	10,000
Additional provisions	6238
Provisions written back	-
Amounts used	(6238)
Balance at 30 June 2016	10,000

Provision for impairment of receivables

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

Note 5(a) Impaired trade receivables

As at 30 June 2016 current trade receivables with a nominal value of $10,000 (2015: $10,000) were impaired. The amount of the provision was $10,000 (2015: $10,000). The individually impaired receivables mainly relate to event registrations from entities, which are in unexpectedly difficult economic situations.
The ageing of these receivables is as follows:

	2016	2015
One to three months	-	-
Three to six months	6373	1432
Over six months	3627	8568
	10,000	10,000

Note 5(b) Past due but not impaired

As at 30 June 2016, trade receivables of $161,091 (2015: $207,633) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016	2015
Up to three months	128,129	160,819
Three to six months	32,962	46,814
	161,091	207,633

		2016	2015
Note 6	OTHER CURRENT ASSETS		
	Prepayments	513,124	466,336
		513,124	466,336

Notes to the financial statements

For year ended 30 June 2016

		2016	2015
		$	$
Note 7	PLANT AND EQUIPMENT, LEASEHOLD IMPROVEMENTS		
	Plant and equipment – at cost	589,715	514,039
	Less: accumulated depreciation	(458,527)	(422,898)
	TOTAL PLANT & EQUIPMENT	131,188	91,141
	Leasehold improvements and makegoods	966,803	949,803
	Less: accumulated depreciation	(918,895)	(825,500)
	TOTAL LEASEHOLD IMPROVEMENTS	47,908	124,303
	TOTAL PLANT AND EQUIPMENT AND LEASEHOLD IMPROVEMENT	179,096	215,444

Note 7(a) Movements in carrying amounts

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

	Plant and Equipment $	Leasehold Improvement $	Makegood Melb Lease $	Makegood Bris Lease $	TOTAL $
Balance at the beginning of the year	91,141	112,834	7969	3500	215,444
Additions	90,025	-	10,000	10,000	110,025
Assets disposed / scrapped					-
Depreciation and amortisation expense	(49,978)	(84,926)	(7969)	(3500)	(146,373)
Carrying amount as at 30 June 2016	131,188	27,908	10,000	10,000	179,096

The carrying value of assets purchased with finance lease is $nil (2015: $16,195)

Notes to the financial statements

For year ended 30 June 2016

		2016	2015
		$	$
Note 8	INTANGIBLES		
	Software	205,091	457,027
	Less: accumulated amortisation	(204,060)	(301,067)
		1031	155,960

Note 8(a) Movements in carrying amounts

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

	TOTAL
	$
Balance at the beginning of the year	155,960
Additions	-
Assets disposed/scrapped	(95,910)
Amortisation expense	(59,019)
Carrying amount as at 30 June 2016	1031

		2016	2015
		$	$
Note 9	TRADE AND OTHER PAYABLES		
	Trade payables	464,296	556,108
	Sundry payables and accrued expenses	536,526	560,045
	GST collected	334,682	383,451
		1,335,504	1,499,604
Note 10	PROVISIONS		
	Current	296,100	421,963
	Non current	428,178	179,571
		724,278	601,534

	Employee Benefits	Make Good Melbourne Lease	Make Good Sydney Lease	Make Good Brisbane Lease	Total
	$	$	$	$	$
Opening balance at 1 July 2015	350,534	110,000	106,000	35,000	601,534
Additional provisions	430,509	10,000	-	10,000	450,509
Amounts used	(327,765)	-	-	-	(327,765)
Balance at 30 June 2016	453,278	120,000	106,000	45,000	724,278

Notes to the financial statements

For year ended 30 June 2016

Note 10 PROVISIONS (continued)

Make good provisions

A provision has been recognised for lease commitments to settle the make good requirement at the conclusion of the lease. The various leases are detailed in Note 12.

Provision for long term employee benefits

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

Note 11 SUBSCRIPTIONS AND INCOME IN ADVANCE

	2016 $	2015 $
Subscriptions in advance	2,033,345	1,917,023
Sponsorship and conference centre income in advance	1,267,644	1,568,972
	3,300,989	3,485,995

Note 12 CAPITAL AND LEASING COMMITMENTS

Operating lease and rental commitments

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

	2016 $	2015 $
Payable: minimum lease payments		
Not later than 12 months	810,925	664,708
Between 12 months and five years	1,074,630	820,716
Greater than five years	111,916	-
	1,997,471	1,485,424

Notes to the financial statements

For year ended 30 June 2016

Note 13 SEGMENT REPORTING

CEDA is an individual entity, Committee for Economic Development of Australia, and operates in one business and geographic segment.

Note 14 CASH FLOW INFORMATION

a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash flow statement is reconciled to the related items in the Statement of financial position as follows:

	2016 $	2015 $
Cash at bank and in hand	587,354	119,901
Short term deposits including accrued interest with financial institutions	8,526,294	7,214,457
	9,113,648	7,334,358

CEDA has bank guarantees in favour of the lessors of its commercial premises totaling $470,889 (2015: $430,139).

CEDA has restricted cash totalling the above guarantees secured by the NAB to cover these obligations.

Notes to the financial statements

For year ended 30 June 2016

Note 14 CASH FLOW INFORMATION (continued)

b) Reconciliation of cash flows from operations to profit from ordinary activities

	2016 $	2015 $
Profit / (loss) from ordinary activities	1,761,101	1,142,305
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	205,392	295,201
Net loss on disposal of fixed assets	95,910	128
Changes in assets and liabilities:		
Decrease / (increase) in trade and other receivables	100,062	(109,260)
Decrease / (increase) in prepayments	(46,788)	(152,813)
Increase / (decrease) in trade and other payables	(164,100)	417,755
Increase / (decrease) in subs and income in advance	(185,006)	598,964
Increase / (decrease) in provisions	122,744	55,224
CASH FLOWS FROM OPERATIONS	1,889,315	2,247,504

Note 15 FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance of the company. The methods used to manage risk include sensitivity analysis for interest rate risk and aging analysis for credit risk. The company prepares forward looking cash flow analyses in relation to its operational, investing and financing activities to manage liquidity risk.

Notes to the financial statements

For year ended 30 June 2016

Note 15 FINANCIAL RISK MANAGEMENT (continued)

a) Interest rate risk

At the reporting date the interest rate profile of the Company's variable interest-bearing financial instruments was:

	2016 $	2015 $
Variable rate instruments		
Financial assets	9,113,648	7,334,358

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown in Note 16(b). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2015.

b) Credit risk

Credit risk is managed at the board level. Sales are required to be settled in cash or using major credit cards, mitigating credit risk. The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet position and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the company.

The credit risk for counterparties included in trade and other receivables at 30 June 2016 is detailed below:

	2016 $	2015 $
Trade and other receivables		
Counterparties not rated	613,007	713,069
Total	613,007	713,069

Notes to the financial statements

For year ended 30 June 2016

Note 16 FINANCIAL INSTRUMENTS

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted average effective interest rate		Interest bearing	
	2016	2015	2016	2015
	Per cent	**Per cent**	$	$
Financial assets:				
Cash and cash equivalents	2.60	2.64	9,113,648	7,334,358
Receivables	-	-	-	-
Total financial assets	2.60	2.64	9,113,648	7,334.358
Financial liabilities:				
Trade and sundry payables	-	-	-	-
Total financial liabilities	-	-	-	-

	Fixed interest rate maturing Within one year		Non interest bearing	
	2016	2015	2016	2015
	$	$	$	$
Financial assets:				
Cash and cash equivalents	9,113,648	7,334,358	-	-
Receivables	-	-	613,007	713,069
Total financial assets	9,113,648	7,334,358	613,007	713,069
Financial liabilities:				
Trade and sundry payables	-	-	1,335,504	1,499,604
Total financial liabilities	-	-	1,335,504	1,499,604

Notes to the financial statements

For year ended 30 June 2016

Note 16 FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages the risk through the following mechanisms:

Preparing forward cash flow analysis in relation to operational, investing and financing activities;

Maintaining a reputable credit profile;

Managing credit risk relating to financial assets;

Investing surplus cash only with major financial institutions; and

Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

	Total	
	2016	2015
	$	$
Financial assets:		
Cash and cash equivalents	9,113,648	7,334,358
Receivables	613,007	713,069
Total financial assets	9,726,655	8,047,427
Financial liabilities:		
Trade and sundry payables	1,335,504	1,499,604
Borrowings	-	-
Total financial liabilities	1,335,504	1,499,604

Financial liabilities are expected to be paid as follows:

	2016	2015
	$	$
Less than six months	1,335,504	1,499,604
Six months to one year	-	-
One to five years	-	-
Over five years	-	-
	1,335,504	1,499,604

Notes to the financial statements
For year ended 30 June 2016

Note 16 FINANCIAL INSTRUMENTS (continued)

a) Net fair values

The net fair value of financial assets and financial liabilities approximates their carrying values. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are presented in the respective financial statement notes.

b) Sensitivity analysis

Interest rate risk

The company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Amount of impact		Result	
	2016 $	2015 $	2016 $	2015 $
Change in profit				
· Increase in interest rate by one per cent	91,136	73,344	1,852,237	1,215,649
· Decrease in interest rate by one per cent	(91,136)	(73,344)	1,669,965	1,068,962
Change in Equity				
Increase in interest rate by one per cent	91,136	73,344	5,150,271	3,371,378
Decrease in interest rate by one per cent	(91,136)	(73,344)	4,967,999	3,224,691

Notes to the financial statements

For year ended 30 June 2016

Note 17 CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its operational programs and that returns from investments are maximised. The Audit & Risk Committee ensures that the overall risk management strategy is in line with this objective.

The Audit and Risk Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

	2016 $	2015 $
Total borrowings	-	-
Total equity (reserves + retained earnings)	5,059,135	3,298,034
Total capital	5,059,135	3,298,034
Gearing ratio	0.0 per cent	0.0 per cent

Notes to the financial statements

For year ended 30 June 2016

Note 18 KEY MANAGEMENT PERSONNEL REMUNERATION

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

Key management person	Position
Hamilton Calder	State Director – SA/NT
Michael Camilleri	State Director – VIC/TAS
Damian Kelly	Chief Financial Officer (ceased 20/11/2015)
Lee Kelly	State Director – NSW/ACT
Stephen Martin	Chief Executive Officer
Sherlyn Moynihan	Director, National Member Strategy, Development and Engagement
Kyl Murphy	State Director – QLD
Roxanne Punton	Director, External Affairs
Elizabeth Ritchie	State Director – WA (ceased 5/2/2016)
Paula Rogers	State Director – WA (commenced 23/5/2016)
David Thompson	Director, Corporate Services (commenced 22/2/2016)

Remuneration policy

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

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

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

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

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

Performance-based remuneration

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

Refer below for an outline of key management personnel remuneration:

	2016 $	2015 $
Short-term employee benefits	2,101,540	1,960,306
Other long-term benefits	110,555	110,011
Termination benefits	16,796	-
	2,228,891	2,070,317

Notes to the financial statements
For year ended 30 June 2016

Note 19 RELATED PARTY TRANSACTIONS

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

Note 20 COMPANY DETAILS

The registered office of the company is:
Level 5, NICTA Building B
7 London Circuit
CANBERRA ACT 2601

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

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

Note 21 MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $500 each towards meeting any outstanding obligations of the company. At 30 June 2016 the number of members was 750 (2015: 700).

Note 22 EVENTS AFTER THE BALANCE DATE

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

Directors' declaration

1) The directors of the company declare that the financial statements and notes, as set out on pages 5 to 26 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012, Corporations Act 2001* and present fairly the company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.

2) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed at Sydney on 5 September 2016 in accordance with a Resolution of the Board of Directors.

DIRECTOR.	DIRECTOR.
Paul McClintock AO Chairman	Stephen Martin Chief Executive

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Independent Auditor's Report
To the Members of Committee for Economic Development of Australia

We have audited the accompanying financial report of Committee for Economic Development of Australia (the "Company"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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 Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion the financial report of Committee for Economic Development of Australia is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

a presenting fairly, in all material respects, the Company's financial position as at 30 June 2016 and of its performance and cash flows for the year ended on that date; and

b complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brock Mackenzie
Partner – Audit & Assurance

Melbourne, 5 September 2016