

annual report 2006–07



CEDA

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contents

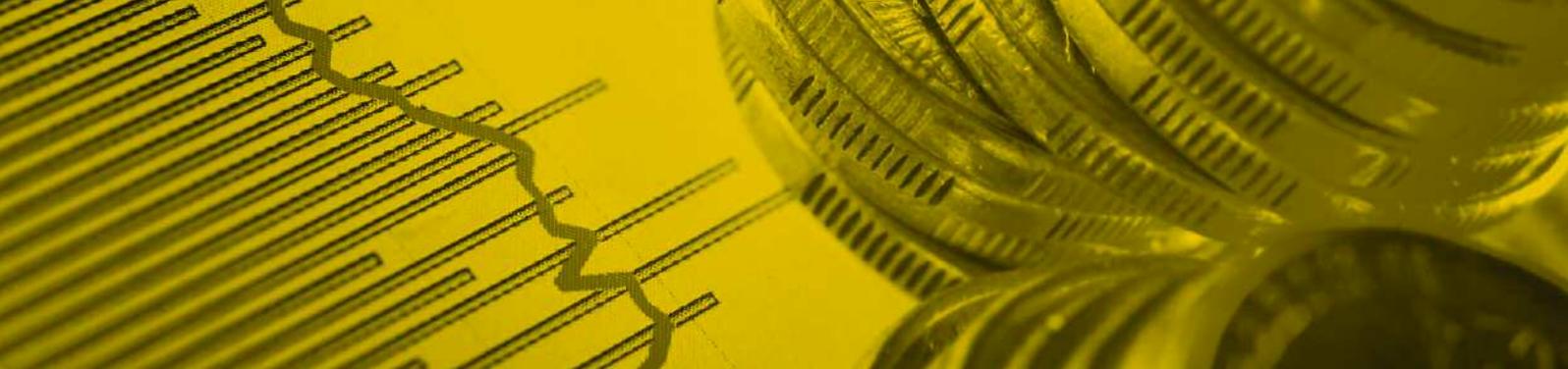
What is CEDA?	2
Chairman's report.....	4
CEO's report.....	5
Review of operations.....	6
Membership	7
Research	12
Events.....	16
International activity.....	23
Communications	25
Governance	28
Concise financial report.....	34
Overview.....	35
Directors' report	38
Income statement.....	41
Balance sheet	42
Statement of cash flows	43
Notes to the financial statements	44
Directors' declaration.....	46
Audit report.....	47

what is CEDA?



CEDA – THE COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

- An independent, non-partisan economic think-tank
 - A not-for-profit membership association
 - Australia's leading forum for bringing together leaders from business, government, academia and the broader community to promote Australia's economic development.
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Our mission

For over 40 years, CEDA has informed, influenced and raised the standard of public policy debate on the current and emerging issues shaping Australia's economic and social development.

We are supported by members who value influence, independence and insight. More than 800 of Australia's leading organisations are CEDA members. We offer members the opportunity to be well-connected and well-informed on a breadth of public policy issues.

CEDA advocates policy in the national interest rather than on behalf of special interest groups. Our funding comes from membership, events, grants and sponsorship.

Our objectives

CEDA aims to have a positive impact on Australia's economic development by:

- engaging the brightest minds in the search for the best evidence-based policy ideas;
- informing our members on important policy issues, cutting through political short-termism and focusing on the long term;
- identifying business best practice and enabling leaders to improve strategic decision-making; and
- influencing policy makers and facilitating the flow of fresh, independent ideas in an understandable, reliable and accessible format.

Our values

- Independence
- Professional integrity
- The highest ethical standards
- Inclusiveness
- Making a difference

Our history

CEDA was formed in 1960 by one of Australia's leading economists, Sir Douglas Copland. Sir Douglas wanted to create a national independent body that could harness the ideas and influence of the greatest minds in Australia's business, community and academic worlds.

The concept for CEDA was based on US think-tank, the Committee for Economic Development (CED), which was influential in shaping the Marshall Plan and the post-World War II monetary system.

CEDA was formed as a national, not-for-profit economic research organisation, funded by private members and corporate subscriptions. From the start, CEDA was objective and not associated with any political or economic group.

CEDA's history is documented in *Problems and Progress* (1986) and *The Bridge* (1991).

In the 1970s CEDA was a proponent of a value-added tax, ultimately implemented as the GST by the Howard government in 2000. A points system for skilled immigration was first proposed by CEDA in 1983 and adopted by the Hawke government in 1987. Looking ahead, CEDA hopes to see progress on implementation of policy ideas put forward in 2007: increasing public-private partnerships in infrastructure development; raising the pension age in response to an ageing population; and climate change policy that takes a long-term view of managing the risk of climate change while safeguarding economic prosperity and promoting economic growth.



chairman's report

CEDA's role as an independent voice in economic and social debate has rarely been more important than in 2006–07. The future leadership of the country hung in the balance for much of the year. At the same time, relations between the federal government and the states grew increasingly tense and unsatisfactory. What CEDA has termed the “third wave of reform” – big improvements in education, health, natural resource use, economic infrastructure and workforce management – moved forward only moderately. More needs to be done.

Publicising research

So it is timely that during 2006–07 CEDA pushed its research more actively into the public debate. This process is raising CEDA's profile; more importantly, both policymakers and the general public are talking about ideas that CEDA has raised. In 2006–07 and since, CEDA research has featured in debates about broadband infrastructure, taxation, trade and investment, and the pension age.

CEDA's work on the pension age, started in 2006–07 and published soon after the end of the financial year, exemplifies our commitment to influencing public debate with clear policy ideas. It followed both our own 2004 research and discussions at the 2006 conference of CEDA and its international counterparts. I noted in last year's annual report that CEDA was looking for some stronger responses to the challenge of ageing. We are making progress in this direction.

Global network

CEDA continues to leverage its powerful global network of like-minded organisations. The network – with representatives from China, Finland, France, Germany, Japan, Latin America, the Netherlands, Portugal, Spain and the United States – provides CEDA with an international platform to exchange ideas and debate critical policy issues. The network met in Madrid in late 2006 to discuss the global economic impact of the ageing population. During the last financial year, CEDA also initiated a major research report on climate change, which has since been released at the 2007 international conference in Sydney.

Board service

As in previous years, I want to thank CEDA's Board of Directors and Board of Governors for their time, dedication and wisdom. These board members put their expertise at CEDA's service, and they continue to be a source of strength for the organisation. This year's Big Issues survey particularly benefited from the advocacy and input of board member Phil Ruthven.

Board members Peter Doyle, Dieter Adamsas, Jeff Floyd, Tony Smith and Trevor Tappenden retired during this calendar year. I would like to thank them for their generous service to the objectives of CEDA, and for their support for the Board and for me as their chairman.

CEDA's people, under the leadership of CEO David Byers since February 2007, once again rose to the challenge of change.

Continuing to speak out

Our trustees continue to keep CEDA in touch with real-world issues and concerns in a way that few other organisations can match.

Informed by the views of our trustees and our research findings, we will continue speaking out clearly on ideas that will boost Australia's economic development.

Ivan Deveson
Chairman and National President



ceo's report

2006–07 set the foundations for CEDA's future to 2010 and beyond. We have tried to inject more ideas into the public debate, make those ideas more influential, and hopefully enhance our role as a respected, independent platform for informed debate. At the same time, we continued to grow revenue. And we have taken new steps to better understand what our stakeholders need from us.

New framework for events and research

CEDA's events and research now reflect a focused list of themes: foundations for economic growth, sustainable development, building human capital, emerging issues, economic, political and industry updates, and improving organisational performance.

The identification of issues took a big step during the year with the introduction of the Big Issues project. This project saw CEDA trustees identify the key issues for Australia in the next ten years. The results were published in *BRW* magazine. Even more significantly, the data collected is shaping our agenda for 2008 and beyond. We also began a stakeholder survey which will help us better understand what we can deliver to both our members and other stakeholders.

These new disciplines are helping us to focus on areas where CEDA's work can truly improve public policy. During the year we completed our *Competing from Australia* report, a sweeping survey on challenges for trade, investment and innovation. We also developed new policy ideas ranging from broadband telecommunications to ageing.

Demand for CEDA ideas

The value of CEDA's intellectual product – important ideas delivered by experts in their fields – was reflected in both reactions to research and attendance at events. We had our fourth consecutive year of record attendance, with total guests numbering just under 23,000. This events performance drove revenue up 11 per cent to \$6.41 million. Our research publications received record circulation and media coverage, along with increased attention from policy groups such as the OECD. We see strong continuing demand for knowledge of public policy and business best practice issues.

CEDA also continues to be a venue of choice for senior figures in the public policy debate. John Howard spoke to one of CEDA's largest-ever audiences in July 2006. Peter Costello, Brendan Nelson, Malcolm Turnbull, Tony Abbott, Joe Hockey, Kevin Andrews and Andrew Robb all presented to CEDA audiences, as did Julia Gillard, Peter Beattie, Michael Costa, Stephen Smith, Peter Garrett, head of the Prime Minister's Department Dr Peter Shergold, and former Spanish president José María Aznar.

Sound financial foundations

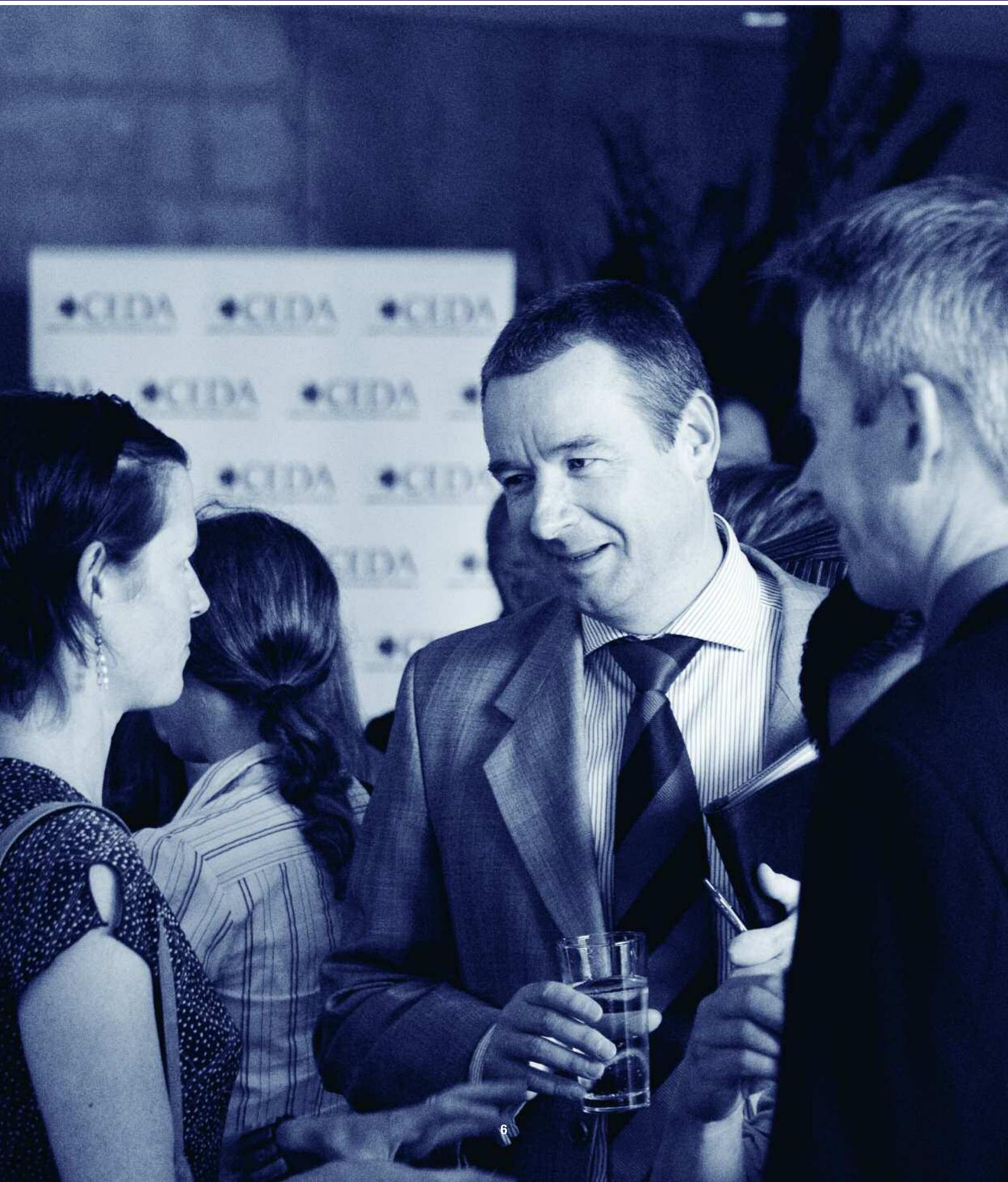
Event revenue growth combined with stable membership contributions allowed CEDA to practically eliminate its operating deficit before abnormals. This provides us with firm financial foundations for 2007–08. During this year we expect to see the first rewards from investment in a new information technology platform now being rolled out. Our online event system will reduce administration needs, improve financial controls and improve the quality of membership data.

Thanks also to the team at CEDA for their efforts during a tremendous year of change. The introduction of new IT and financial systems has seen us running two systems in tandem while new processes are bedded down. Responsibilities and workloads have increased, and I am grateful to everyone for rising to the challenge with enthusiasm.

Most importantly, we expect 2007–08 to bring continuing returns from our investment in ideas and discussion.

David Byers
Chief Executive Officer

review of operations



review of operations membership



CEDA'S BIG ISSUES PANEL

HIGHLIGHTS

CEDA welcomed more than 120 new members for the year.

The Copland Program for emerging leaders was extended to NSW after several successful years in Victoria.

Public policy forums were piloted in some areas to review draft research papers before their release.

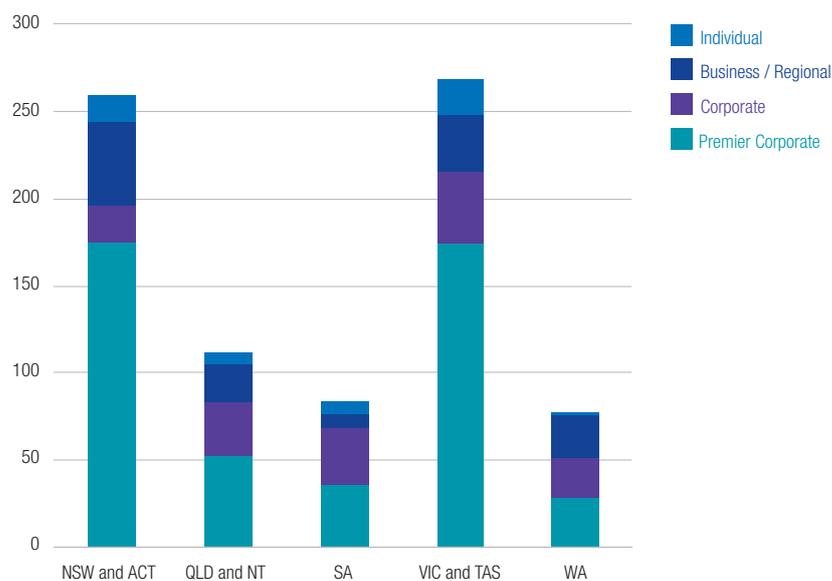


MEMBERSHIP OVERVIEW

CEDA's membership base includes more than 800 of Australia's business, government, academic and community organisations. An organisation can nominate up to four trustees, depending on the type of membership it holds. Our trustees form a nationwide group dedicated to furthering Australia's economic growth through research and debate on public policy issues.

Overall membership declined slightly in 2006–07 after experiencing strong growth over the last four years. However, more than 120 new members joined CEDA during the year. Moderate growth was experienced in Queensland, while Western Australia, the ACT and the Northern Territory continue to grow their membership bases. In Western Australia, membership growth was driven by companies working in or associated with the resources sector.

CEDA membership



Industry profile

CEDA has a relatively diverse membership base, encompassing financial services, banking, manufacturing, engineering, resources, professional services, academic institutions, government (federal and state), government owned corporations and community groups.

The largest sector represented continues to be property and business services. Finance, insurance, government, not-for-profit and manufacturing are strongly represented.



MEMBERSHIP CATEGORIES

CEDA membership categories are state-based and include Premier Corporate, Corporate, Business/Regional and Individual (see Table 1).

In 2008 CEDA will launch a new membership category, Platinum membership, which will include membership in all states and territories, complimentary tables at events, preferential sponsorship opportunities and other benefits.

Where an organisation is a Premier Corporate member in one state, it is eligible for Corporate membership in other states. Corporate membership is half the price of Premier Corporate membership and allows for two trustee nominations instead of four.

Member organisations nominate individuals, called “trustees”, to represent them. Our trustees help contribute to Australia’s economic development through their input into CEDA research, discussion and debate that aims to deliver sound public policy outcomes.

A member organisation can nominate a specified number of trustees depending on its level of membership. Trustees take part in CEDA activities including CEO and CFO roundtables, trustee boardroom lunches, research briefings, and annual events such as State of the Nation and the Economic and Political Overview. Trustees also receive copies of new reports on their release and can access CEDA’s full body of research online.

MEMBERSHIP ACTIVITIES

Influence

CEDA’s wide trustee base is a valuable vehicle for influencing the public policy agenda. We bring together leaders of Australian organisations to contribute to Australia’s economic development – through forums, research and targeted communication.

Research

Informally, trustees guide research activities through discussions with CEDA staff. More formally, in 2006–07 they provided feedback to CEDA’s *Big Issues* survey, a key factor in deciding our research agenda. Members of the CEO roundtables provided additional guidance on organisational performance research. Member organisations also contribute a substantial proportion of research authors.

CEDA Club

CEDA Club dinners provide the opportunity for trustees to engage in thought-provoking discussion on challenging topics in a smaller, more intimate setting than at lunchtime events.

In 2006–07 CEDA Club held ten meetings with a number of outstanding speakers. Topics focused on the thought frameworks behind public policy decisions. Issues included the framing of public policy, politics as a vocation, stem cell research and the future of medicine.

Attendance was constant, with 25 trustees at each event. We will refresh the model next year and introduce a debating format with the opportunity for greater trustee involvement.



Table 1: Membership categories and benefits

Member category	Premier Corporate	Corporate	Business/Regional	Individual
Criteria	<i>Large national and international businesses, government departments and authorities, universities</i>	<i>Interstate offices or branches of Premier Corporate members</i>	<i>Small businesses employing 20 or less employees, located in one state</i>	<i>Sole proprietors, non-executive directors and other leaders active in public debate</i>
Number of trustees	4	2	2	1
Events and briefings				
Member rates for CEDA events and conferences for the whole organisation	•	•	•	•
CEO and CFO roundtables	•	•		
Host trustee-only lunches and boardroom briefings	•	•		
Attend trustee-only lunches and boardroom briefings	•	•	•	•
CEDA Club (Victoria)	•	•	•	•
Nominate talented emerging leaders for leadership programs (New South Wales, Victoria and Western Australia)	•	•		
Sponsorship opportunities in front of Australia's premier leadership audiences	•	•	•	
Public policy and research				
Support CEDA research projects	•	•	•	•
Participate in CEDA research reference groups and forums	•	•		
CEDA research, Growth reports, the annual Economic and Political Overview	•	•	•	•
Information papers and project papers	•	•	•	•
CEDA's flagship magazine, <i>Australian Chief Executive</i>	•	•	•	•
Access to the members' website for research, speech transcripts, audio files, presentations and membership lists	•	•	•	•

CEO and CFO roundtables

CEO and CFO roundtables are peer-based discussion groups for senior executives. Roundtables take place in Sydney, Melbourne, Perth and Brisbane.

Fifty-six sessions were held last year. Attendance and participation were high and feedback was very positive. The groups have strong cross-sectoral representation. Topics were aligned with business and leadership issues and expert speakers were invited to address a number of meetings.

NSW hosted three CEO roundtables during the year, with a total of 32 participants. Roundtables 1 and 2 continued into a second round of meetings in 2007 while Roundtable 3 concluded in December 2006. A CFO roundtable commenced in May 2007 with 12 participants. A joint CEO roundtable dinner was held in September 2006, with David Gonski, AO, as guest speaker. A joint CEO/CFO roundtable dinner is planned for 2007–08.

The Victorian CEO and CFO roundtables were reconfigured for 2007 following interviews with participants. Groups were consolidated from seven to four and member host dinners are now held at the end of each session. This resulted in a significant increase in attendance, with ten to 12 members at each roundtable. Topics were aligned across the groups, allowing for increased flexibility and meetings to be combined if needed (such as a discussion on carbon trading models). Member engagement in the Victorian roundtables increased 30 per cent from last year. We are considering alignment with a business school to keep the roundtables current and introduce new participants.

Queensland hosts a CEO roundtable and a CFO roundtable. Both roundtables are underwritten by BDO Kendalls. The CEO roundtable is also supported by Bond University. The CFO roundtable is supported by the University of Queensland and the Institute of Chartered Accountants which provides accreditation under its professional development criteria for participation.

Western Australia hosted its first CEO roundtable in cooperation with the University of Western Australia. Meetings were chaired by Tony Howarth, AO, and feedback from participants was strong, resulting in new meetings being planned for next year. Highlights were dinner with former Western Australian Governor Lt General John Sanderson, AC, and an afternoon meeting with former Premier Sir Charles Court.

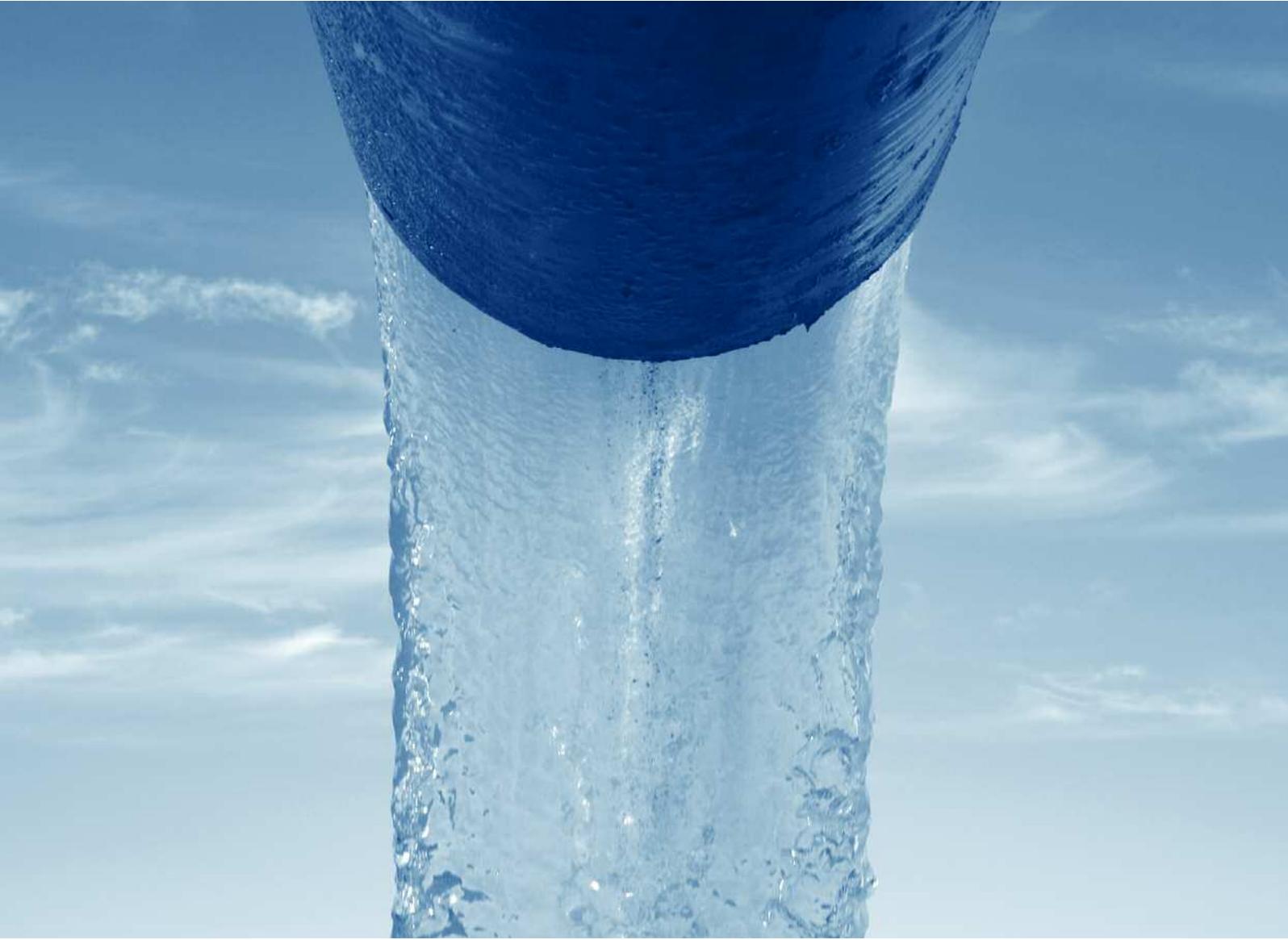
Emerging leaders series

In Victoria, the Copland Program for Emerging Leaders was fully subscribed in 2007, with 39 companies nominating executives to attend. The program included ten sessions and was run again in conjunction with Melbourne Business School. The topics focused on external stakeholder relations as well as management and leadership issues.

The Copland Program was introduced in NSW for the first time in 2007. CEDA entered into a partnership with the Macquarie Graduate School of Management to deliver a six-part leadership series. The NSW Copland Program covered issues such as leadership management, corporate social responsibility, managing consumer expectations, business sustainability, innovation and competitive strategies.

The Emerging Leaders series in Western Australia (sponsored by Minter Ellison) was well attended by trustees and their guests. Speaker highlights included Dr Peter van Onselen, Avril Henry, Ben Wyatt and Leanne Preston.

review of operations
research



HIGHLIGHTS

Competing from Australia pre-release papers

Growth 57: The Business of Defence – Sustaining capability

Big Issues survey of CEDA trustees and panel discussion with leading policy analysts.

Information Paper 86: The Local Broadband Imperative – Appropriate high-speed Internet access for Australia

Information Paper 85: Tax Cuts to Compete – The influence of corporate taxation on Australia's economic growth

Water That Works: Sustainable water management in the commercial sector

Two volumes of *Sustainable Queensland*



OVERVIEW

CEDA is Australia's leading independent economic development think-tank. Our research identifies and offers solutions for issues that influence the nation's long-term economic, social and environmental development. CEDA publishes its research in reports and online.

Research work during 2006–07 entrenched CEDA's leadership position.

New research themes

CEDA's research agenda now reflects six key themes developed in the first half of 2007:

- **Foundations for economic growth:** including trade and international relations, infrastructure, energy, technology and innovation, tax, regulation and federal–state relations
- **Building human capital:** including education and learning, ageing, health and healthcare, workforce participation and indigenous affairs
- **Sustainable development:** including water issues and climate change
- **Emerging issues:** including the *Big Issues* project
- **Economic, political and industry updates:** including the Economic and Political Overview and State of the Nation
- **Improving organisational performance:** including leadership, creation of a performance culture, and corporate social responsibility.

Higher volume of published research

A feature of 2006–07 was the high volume of research published. While much of this reflected work done in 2005–06, the result was eight research publications and the Economic and Political Overview papers. In all, 31 separate papers were commissioned resulting in 512 pages of published research – the most for this decade. This required substantial improvements to CEDA's publishing processes, including increased use of external editors and continued expansion of electronic-only publishing. Circulation also increased as CEDA distributed more publications to opinion leaders.

Strengthened authority

CEDA's work continues to lead policy debate. The May 2006 information paper, *Tax Cuts for Growth*, was cited extensively by the OECD in its July 2006 economic survey of Australia; it was also cited by the Productivity Commission and the National Centre for Social and Economic Modelling (NATSEM). In the May 2007 Budget, then Treasurer Peter Costello pursued a strategy recommended in the report – cutting effective marginal tax rates for low income earners. Professor John Quiggin's Economic and Political Overview paper, "Issues in Australian Water Policy", added CEDA's voice to those arguing for rural–urban water trading; the Victorian Government adopted a key element of this strategy (piping water from the Goulburn Valley to Melbourne) in July 2007.



[The leading authorities](#)

CEDA is a “virtual think-tank”. Rather than relying on inhouse policy expertise, we work with the best independent experts on any economic development subject. We frequently work in partnership with universities, other non-profits and member organisations. The quality and independence of CEDA’s research program has earned its reputation as Australia’s leading non-partisan think-tank on economic and business issues.

In 2006–07 we worked with a number of the leading economic and public policy experts in Australia and on the global stage. These included Professor Joshua Gans (University of Melbourne), Professor John Quiggin (University of Queensland), Professor Glenn Withers (ANU), Professor Paul Dibb (ANU) and Professor Robert Mendelsohn (Yale).

[Consultation with members and the *Big Issues* survey](#)

CEDA’s consultation with members about its research program stepped up in 2006–07 with a major survey of CEDA trustees, the *Big Issues* survey. Three-hundred trustees completed the 100-question survey, and CEDA is using the results to build its program for 2007–08 and beyond. The survey also featured in *BRW* magazine.

NEW RESEARCH

[Growth 57: The Business of Defence – Sustaining capability](#)

This *Growth* report featured authors including ANU’s Professor Paul Dibb and Dr Mark Thomson of the Australian Strategic Policy Institute. It argued that more transparency between the Australian Defence Force and the businesses that supply it will produce better strategic and economic outcomes.

[Information Paper 85: Tax Cuts to Compete](#)

This information paper by Dr Nicholas Gruen argued that both theoretical work and empirical studies show company tax cuts will drive growth more effectively than personal income tax cuts. It suggested Australia could achieve a lower “headline” corporate tax rate by abolishing Australia’s unique but low-impact imputation system.

[Competing from Australia Paper 1: Global Chains](#)

This paper argued that Australian businesses will need to find new ways to participate in global production chains, with policy focus broadened beyond local industry clusters. Written by Professor John Houghton of Victoria University, it was the first of three electronic-format pre-release papers for the Competing from Australia project.

[Competing from Australia Paper 2: Export Weakness, Investment Strength](#)

The second *Competing from Australia* pre-release paper, by Dr John Edwards, explained Australia’s recent export and investment performance and stressed the importance of removing bottlenecks in the Australian economy to let firms to expand overseas activities.

[Water that Works – Water management in the commercial sector](#)

This report by authors including public sector reform expert Gary Sturgess surveyed current best practice in water use by businesses, with a series of case studies illustrating the possible benefits from improved management.



[Information Paper 86: The Local Broadband Imperative](#)

This report generated continuing controversy with its argument that Australia's regulation of broadband infrastructure should be designed to allow competition at a local level. The report from the University of Melbourne's Professor Joshua Gans suggested many assumptions in the current broadband debate rest on misunderstandings of technology and economics.

[Sustainable Queensland](#)

Two volumes from this multi-year project were published in 2006–07. Volume 1 examined population growth, demographic change and the need for skilled labour, while volume 2 looked at the financing of infrastructure.

[Transitional Labour Markets](#)

This joint project with the University of Melbourne, Deakin University, the Brotherhood of St Laurence and the National Institute of Economic and Industry Research (NIEIR) wound up with the publication of a second special issue of the *Australian Bulletin of Labour*. Project leader and CEDA governor Brian Howe also published a book on the project's themes, *Weighing Up Australian Values*.

SPONSORSHIP

Thank you to the member organisations that supported our research program during the year:

- Serco
- Fujitsu Australia & New Zealand
- Invest Victoria
- Export Finance and Insurance Corporation (EFIC).

UPDATE SINCE JUNE 2007

CEDA's latest *Growth* publication, *Climate Change: Getting it right*, was released at the November 2007 Counterparts Conference. It featured discussion of the climate change challenge by leading Australian economists including Professor John Freebairn, Professor Warwick McKibbin and Dr Brian Fisher, as well as overseas experts including Professor Robert Mendelsohn and Professor Ronald Prinn.

The full *Competing from Australia* collection was released on 9 July 2007 to a strong reception from trustees, policymakers and media commentators.

The information paper, *Pensions for Longer Life*, attracted even more attention, extending CEDA's existing work on the ageing challenge with a proposal from Dr David Knox to raise Australia's retirement age to 67.

review of operations events



GOVERNOR OF THE RESERVE BANK OF AUSTRALIA
GLENN STEVENS ADDRESSED CEDA'S 2006
ANNUAL DINNER IN MELBOURNE

HIGHLIGHTS

Then Prime Minister John Howard spoke to over 600 business leaders about the national challenges of energy and water.

Energy security and water sustainability were discussed at events in all capital cities, featuring industry speakers, state and federal policy makers and large corporates.

Climate change continued to dominate as an important theme. CEDA hosted events on emission trading, the impact on energy intensive industries and the investment community's view on climate change.

Chairman of the Future Fund's Board of Guardians David Murray outlined his perspectives on the management of the fund.

CEDA hosted a two-day conference to examine the implications of ageing on Australia's workforce and our health system.



THEN DEPUTY LEADER OF THE OPPOSITION
JULIA GILLARD SPOKE AT A CEDA
CONFERENCE IN SYDNEY ON THE
AGEING WORKFORCE

OVERVIEW

CEDA's events program plays an important role in bringing together leaders from government, business, academia and the broader community to discuss economic and policy issues. It provides a platform for debate, delivering feedback to policy makers and knowledge to business leaders to make informed decisions.

CEDA ran 280 events during 2006–07:

- 150 paying events with more than 21,000 attendees
- 64 trustee events
- 56 CEO and CFO roundtables
- 10 CEDA Club dinners.

We continue to innovate with different event formats. In addition to lunchtime events, CEDA is hosting half-day forums and conferences to deliver a more indepth examination of issues from various perspectives.

In 2007–08, CEDA will introduce a new technology platform that will enable members to register for events online, and provide us with the ability to segment and deliver events according to our members' interests.

NEW POLICY FRAMEWORK: ALIGNING EVENTS WITH RESEARCH

CEDA's events focus on six broad themes which align the events program more closely with its research:

- Emerging issues
- Foundations for economic growth
- Sustainable development
- Building human capital
- Economic, political and industry updates
- Improving organisational performance.

Foundations for economic growth

CEDA initiated a series of lunch events on energy market reform, and transport infrastructure and planning. Federal and state ministers, heads of regulatory bodies and industry participants continue to actively debate and discuss policy at these series.

In March 2007, Chairman of the COAG Energy Reform Implementation Group Bill Scales discussed how Australia could do more to improve the efficiency and competitiveness of energy markets.

In media and telecommunications, ACCC Chairman Graeme Samuel, AO, presented to CEDA on the challenges faced by regulating an industry which is evolving rapidly through new technology, new delivery channels and increasing merger activity. Senator Helen Coonan also discussed the future of telecommunications at a CEDA event in June 2007.



CHAIRMAN OF THE FUTURE FUND BOARD
OF GUARDIANS DAVID MURRAY SPOKE AT
A CEDA EVENT IN SYDNEY

Building human capital

Education Minister Julie Bishop presented on education at an event in Brisbane. Forums on higher education were also held in Melbourne and Sydney. Contributors to the discussion included Vice-Chancellor of the University of Melbourne Professor Glyn Davis and Professor Ian Chubb from the Australian National University.

In the lead up to the federal election, industrial relations was discussed at many events throughout the CEDA network. Chair of the Australian Fair Pay Commission Professor Ian Harper presented in Melbourne on the powers of the Commission.

Sustainable development

Water and climate change continued to dominate discussion at events on this theme.

In March 2007, CEDA hosted a half-day forum on *Water Sustainability in the Murray–Darling Basin*. Keynote addresses were delivered by South Australian Minister for Water Security and the River Murray Karlene Maywald and then Victorian Minister for Water and the Environment John Thwaites. The forum presented perspectives from the Commonwealth government, irrigators, the National Water Initiative and the Murray–Darling Basin Commission. Other water-related events throughout the year focused on urban water delivery, pricing and infrastructure.

CEO of Origin Energy Grant King and CEO of Visy Industries Harry Debney presented at CEDA lunch events on the business and policy implications of climate change. In November 2006, CEDA hosted a one-day conference specifically on climate change with presentations from organisations including ACF, IAG, WWF, Xstrata Coal, Rio Tinto Aluminium and VicSuper.

Against this background of growing interest in low emission energy sources, Dr Ziggy Switkowski provided scientific and comprehensive details of nuclear energy at CEDA events in Perth and Sydney.

The *Cost of Carbon* lunch event series assessed the implications of an emissions trading scheme on carbon intensive industries. Industry bodies representing aluminium, cement, pulp and paper, plastics and chemicals provided commentary. Secretary of the Department of Prime Minister and Cabinet Peter Shergold outlined the findings on the Prime Minister's Task Group on Emissions Trading at a CEDA event which he also chaired.

Improving organisational performance

In a period characterised by skills shortages, talent management, employee engagement and organisational capability emerged as themes of discussion at CEDA events. The ageing workforce was also discussed at a number of events, including a two-day conference in Sydney.



THEN PRIME MINISTER JOHN HOWARD
ADDRESSED A RECORD CROWD OF
600 PEOPLE IN SYDNEY IN 2006

STATE BY STATE

NSW and the ACT

Sustainability and addressing growth constraints were key themes reflected in the NSW events program. Transport Minister John Watkins and Roads Minister Eric Roozendaal presented policy perspectives on road and rail infrastructure plans. Chairman of IPART Michael Keating spoke on price setting for water in NSW, and CEO of Sydney Water Kerry Schott spoke on water sustainability and its required infrastructure. Reform of electricity and gas markets also featured, with presentations by market regulators, policy makers and market participants.

Innovation was also a strong event topic. President of Fujitsu Laboratories (Tokyo) Dr Kazuo Murano presented on how Fujitsu drives innovation through an annual US\$3 billion R&D budget. CEO of ResMed Dr Peter Farrell presented on the ways innovation enables ResMed to compete in a global market. A half-day Innovation Forum was also organised to present case studies on corporate innovation, with contributions by AMP, DuPont, Rio Tinto, CSL and the Deloitte Innovation Council.

An information briefing on the CEDA report, *Growth 57: The Business of Defence*, was hosted in Canberra.

Queensland and the Northern Territory

State of the State is an annual event at which the Premier of Queensland delivers a comprehensive scorecard on the government's economic and social performance. This year, in the wake of the 2006 State election, then Premier Peter Beattie reviewed Queensland's performance and gave his vision for the immediate future.

CEDA also held its first event in Darwin on 29 June 2007, the Economic and Political Overview. The event was a sell-out and attracted five sponsors, which is a positive sign for CEDA's expansion into the Northern Territory. Speakers included Tim Harcourt, Chief Economist, Austrade, and Professor Ken Wiltshire, Adjunct Professor, UQ Business School. Northern Territory Deputy Chief Minister Syd Stirling delivered the keynote lunch address.

South Australia

CEDA's South Australian office has long recognised the defence industry in South Australia as being critical to the growth of the state and diversification of its manufacturing base. Consequently, South Australia hosted the launch of CEDA's research report, *Growth 54: The Business of Defence – Sustaining capability*. The launch was attended by policy makers from around the state and Australia and recognised as one of the leading defence events of 2006.

Early childhood development is recognised as key factor in the capacity of a society to improve its economic and social outcomes. Internationally recognised early childhood expert Dr Fraser Mustard led discussions on how a child's development sets trajectories that affect their physical and mental health, learning and behaviour throughout life.

The second CEDA/Deloitte Pathfinders survey was launched in Adelaide. The survey canvassed the views of young professionals (under 35) across a range of issues, including their career aspirations and hopes for the state.



DR ZIGGY SWITKOWSKI
SPOKE TO CEDA ABOUT
NUCLEAR ENERGY IN
PERTH AND SYDNEY

Victoria and Tasmania

In May 2007 then Treasurer of Victoria (now Premier) John Brumby delivered the annual budget speech to CEDA trustees. This is a very popular event, and one of the first delivered by the Treasurer after the state budget is tabled in Parliament. This year the Treasurer highlighted the Government's initiatives on water and other infrastructure projects. Federal–state relations were keenly debated from the floor, including the current GST allocations to the states.

The annual Economic and Political Overview events attracted sell-out audiences in both Victoria and Tasmania. In Victoria, then Premier Steve Bracks delivered the keynote address, followed by a morning session on state and national economic prospects. In the lead up to the election, Terry McCrann provided insightful comment. International perspectives were given by Sam Lipski. In Hobart, Tasmanian Treasurer Michael Aird delivered his keynote address to a full house.

Western Australia

Australia's South West – Building on the Boom provided an in-depth look at Australia's south-west region which is growing at five times the national average. This well-attended half-day seminar featured key industry sector speakers and Western Australian Minister for Infrastructure and Planning Alannah MacTiernan.

A State Opposition Update, Building for the Future, proved popular with Leader of the Opposition Paul Omodei, Shadow Minister for Health Dr Kim Hames, Shadow Minister for the Environment Dr Steve Thomas, and Shadow Minister for Education and Training Peter Collier.

Dr Ziggy Switkowski spoke at an event on the potential for uranium mining in Western Australia and nuclear power.

Given Perth's property growth due to the resources boom, an event on affordable housing was well received and featured Minister for Housing and Works Michelle Roberts and CEO of Lend Lease Communities Asia Pacific Rod Fehring.

ANNUAL EVENTS

Annual dinner

CEDA's annual dinner alternates between Sydney and Melbourne in December each year. Last year's guest speaker Glenn Stevens, then recently appointed as Governor of the Reserve Bank of Australia (RBA), presented on the role of finance in economic development and the evolving role of the RBA. The event was chaired by Chairman of the National Australia Bank and member of CEDA's Board of Governors Michael Chaney, AO.

Economic, political and industry updates

The annual Economic and Political Overview series takes place in February each year in all capital cities. The events provide a commentary assessment by a panel of distinguished experts on the economic and political outlook at state and federal levels and what can be expected for the year ahead. Keynote addresses were delivered by Alan Carpenter (Premier of Western Australia) in Perth, Peter Beattie (then Premier of Queensland) in Brisbane, John McFarlane (then CEO, ANZ Bank) in Sydney, John Brumby (then Treasurer of Victoria) in Melbourne, Kevin Foley (Deputy Premier and Treasurer of South Australia) in Adelaide and Michael Aird (Treasurer of Tasmania) in Hobart.



BIG ISSUES SURVEY PANEL MEMBERS,
CEDA CEO DAVID BYERS, CATHERINE
LIVINGSTONE AND FORMER NSW
PREMIER NICK GREINER

The State of the Nation conference is hosted in Canberra each year during May/June. In 2007, a panel of seven federal ministers, three Opposition frontbenchers, as well as senior bureaucrats from federal and state governments presented and debated policy issues such as healthcare, education, defence, energy, climate change, industrial relations and infrastructure.

RESEARCH REPORT LAUNCHES AND BRIEFINGS

[The Business of Defence](#)

Then Defence Minister Brendan Nelson officially launched CEDA's research report, *Growth 57: The Business of Defence – Sustaining capability* to a large gathering of industry leaders in Adelaide. A subsequent briefing by a panel of the report authors was also conducted at a Canberra event.

[Water that Works](#)

A best practice report titled *Water that Works: Sustainable Water Management in the Commercial Sector*, undertaken by CEDA in partnership with CEDA member company Serco, was launched by then Minister for the Environment and Water Resources Malcolm Turnbull. Report briefings were also held in Perth and Melbourne.

[Sustainable Queensland](#)

The *Sustainable Queensland* series identifies the capacity of the state to support the rapid economic growth forecast for the medium to long term. The project analyses the quantitative and qualitative dimensions of Queensland's economy, especially population growth, and focuses on the strategic areas that are cited most often as being of concern – infrastructure, water, education and skills, and private investment. The research is policy-focused and highlights action required by the public, private and voluntary sectors.

Volume 1: Skills and Demographics, was launched in March 2007, and *Volume 2: Infrastructure, Private Capital and Financing Options*, was launched in May 2007. Public policy forums were held before the launches for CEDA trustees to provide feedback to help shape the final version.

Keynote speakers at the *Sustainable Queensland* launches included former Deputy Premier Anna Bligh (now Premier) and Minister for Education, Training and Arts Rod Welford. Both volumes generated significant interest within government, business and academia.

Volume 3: Sustainability, Water and the Environment, will be launched early in 2008.

[Big Issues](#)

CEDA hosted events in Sydney and Melbourne to discuss its *Big Issues* survey. Commentator and Chair of IBISWorld Phil Ruthven, Nick Greiner, AC, Catherine Livingstone and CEDA CEO David Byers, who assisted in the ranking of the issues, were present to discuss the findings of the survey.



SPONSORS

Thank you to the member organisations that supported our events program during the year:

ABN Amro	Ernst & Young	Nicol Robinson Hallets
Adelaide Thinkers in Residence Program, Department of Premier and Cabinet	FCM Travel	Oracle
AECOM	Fujitsu	Parsons Brinkerhoff
Allens Arthur Robinson	Finlaysons	Petratherm
AMP Capital Investors	First Place International	Phillip Fox DLA
Australia Tradecoast	Freehills	PricewaterhouseCoopers
Australian Business Roundtable	Fujitsu Australia and New Zealand	Qantas
Baker & McKenzie	Gerard Daniels	RAC of WA
BDO Kendals	GHD	Railways Credit Union
BDS Pty Ltd	Hunt & Hunt	Rowland
Bendigo Bank	Investa	Santos
BHP Billiton Iron Ore	Ipswich City Council	Serco
Bond University	KPMG	Springfield Land Corporation
Chamber of Minerals and Energy WA	Lexus	SunMicrosystems
Chifley Business School	Manpower	TCorp
CSC	Maunsell	Thales
Deloitte	Mercer Oliver Wyman	Training and Skills Commission
DLA Phillips Fox	Middletons Lawyers	URS
EDS	Minter Ellison	Victorian Department of Sustainability and Environment
EPA	National Australia Bank	Wilson HTM
	NSW Department of State and Regional Development	

review of operations
international activity





CEDA's global network

CEDA is a member of an international network of independent public policy organisations. The counterparts provide access to global research and hold an annual international conference.

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
Spain	Círculo de Empresarios
The Netherlands	SMO – Society and Enterprise Foundation
United States	Committee for Economic Development

The network holds an annual conference to debate a major policy issue affecting all the member countries. Last year's conference on the ageing population was hosted by the Spanish counterpart, Círculo de Empresarios, in Madrid in November 2006.

CEDA's Chairman, Ivan Deveson, AO, delivered a speech at the conference in which he called for policy changes to deal with the "economic tsunami" of the ageing population. Policy options he recommended included improved child care to boost population growth and more measures to raise retirement incomes. Other speakers included King Juan Carlos of Spain, the George F Baker Professor of Economics at Harvard University Martin S Feldstein, and Professor of Economics at Columbia University Xavier Sala-i-Martin.

At the close of the conference, the network made a joint declaration on the economic and social consequences of the ageing population. It called for an urgent and united long-term approach by governments, business and the community to deal with the policy challenges presented by the ageing population.

World Competitiveness Yearbook

Each year CEDA coordinates Australia's contribution to the World Competitiveness Yearbook, the world's leading source of information on international competitiveness and economic efficiency.

In 2007, Australia ranked twelfth of 55 national economies, down from sixth in 2006. However, the results were distorted by one large foreign investment transaction, the move of News Corporation from Australia to the US, which led to a one-off fall in Australia's rankings. CEDA and the IMD agree that this year's ranking was distorted by the move.

According to the Yearbook, major challenges facing Australia are reform of education, encouraging business innovation and boosting investment in infrastructure.

This year's survey shows that many of the 55 countries – including Australia – are closing the performance gap with the number-one ranked US.

The Yearbook is produced by Swiss business school IMD. More information is available at: www.imd.com/wcc

review of operations
communications





COMMUNICATIONS

Media coverage

CEDA aims to amplify both its own research work and the messages of its speakers through strong media relations. Media coverage of CEDA continued to expand in 2006–07, with media mentions up 27 per cent.

Most pleasing was the marked rise in coverage of CEDA's own research work. As CEDA's research volumes increased, discussion of CEDA policy ideas featured more prominently in news and opinion pages, on radio and in television news programs.

Another key driver of coverage was the continuing trend for political and business leaders to select CEDA as a venue for major statements. In an address to more than 600 CEDA members and guests in Sydney on 17 July 2006, then Prime Minister John Howard singled out energy and water as key issues for Australia's long-term future. The Treasurer, many other senior ministers, and most state premiers spoke at CEDA during the year.

Publications

CEDA's flagship publication, *Australian Chief Executive*, became a true quarterly magazine for the first time, with a new February edition incorporating CEDA's longstanding *Economic and Political Overview* publication under the sponsorship of Fujitsu Australia and New Zealand.

The revived information papers – the single-paper format featuring research and analysis by individual authors – proved popular with both trustees and media, and five were produced. These papers were distributed solely in electronic format as PDF documents.

The CEDA website continued to expand in both traffic and scope, with a larger number of extracts and one entire publication (*The Local Broadband Imperative*) available to the public. The site's members' area now features audio from almost all CEDA public events. From September 2006, a new analytics system has allowed more accurate measurement of site activity.



THEN MINISTER FOR THE
ENVIRONMENT AND WATER
RESOURCES MALCOLM
TURNBULL

CEDA IN THE NEWS

We have grown accustomed to thinking tax cuts and big new government spending programs have been paid for by the hard work of our mining industry, shipping ever-increasing amounts of ore and energy to the emerging industrial economies of Asia, luckily placed closer to us than rivals such as Brazil. A new report by the Committee for Economic Development of Australia (CEDA) makes sobering reading ...

Sydney Morning Herald editorial

[Professor] Gans has made a very important contribution to the public policy debate over fast broadband ...

Leading business commentator Terry McCrann in Melbourne's *Herald Sun*

In a paper released today by the Committee for Economic Development of Australia, Joshua Gans, professor of economics at Melbourne Business School, challenges the prevailing wisdom on broadband ... Gans says we should allow broadband to be spread at the local level ... It's a novel idea ...

Sydney Morning Herald economics editor Ross Gittins

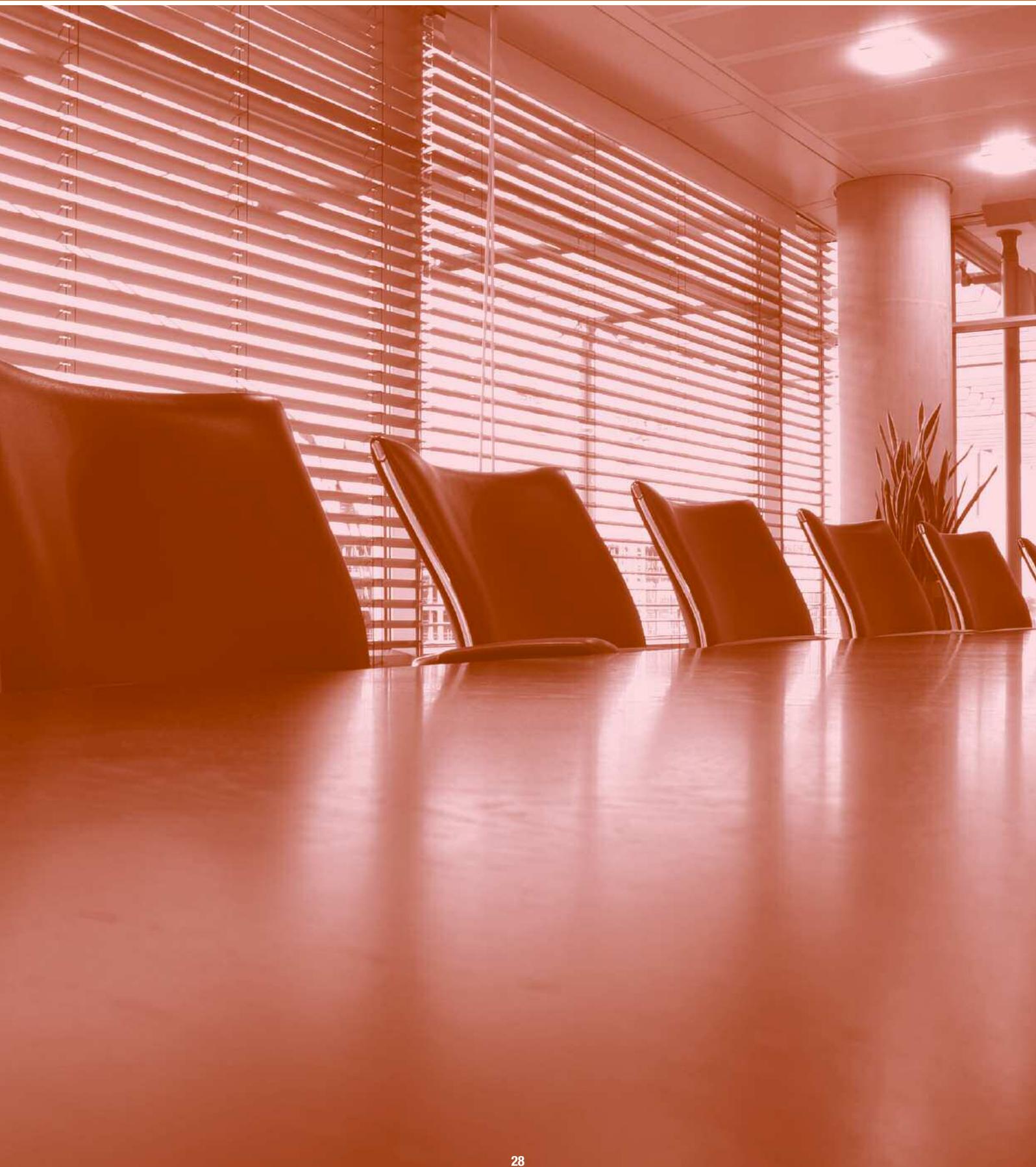
The Committee for Economic Development of Australia recently published a set of thought-provoking essays on Australia's defence industry. *The Business of Defence* offers a broad analysis of defence-industry needs and contains some persuasive arguments about the changes needed to the support systems of the Australian Defence Force ...

Allan Behm in *The Diplomat*

In addressing the Committee for the Economic Development of Australia, Howard was talking to one of the nation's most reasoned organisations, a body consumed by the need to research and build the economy ...

Piers Akerman in Sydney's *Daily Telegraph*

governance

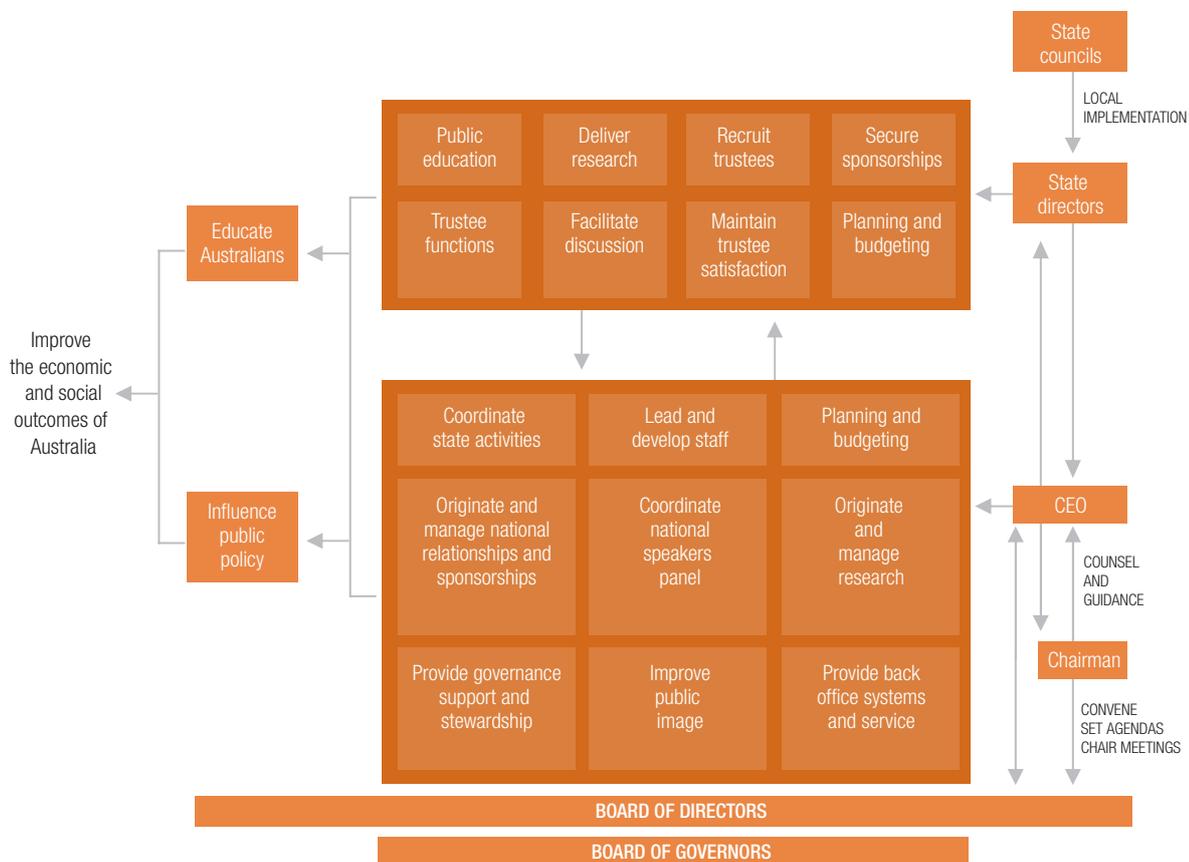




CEDA recently adopted a charter to guide its governance and business processes. The charter provides guidelines for CEDA management and its governance groups to work together to achieve CEDA's aim of making a difference to Australia's economic and social future, while maximising use of the organisation's limited resources.

The diagram below reflects the national nature of CEDA's governance and operations.

CEDA business processes



- The Board of Directors is responsible for CEDA's overall strategic direction.
- The Board of Governors and the state councils provide insight and advice to CEDA management on the identification of policy issues and ways to address them.
- The CEO and head office are responsible for the conduct, effectiveness and efficiency of the organisation. The state offices, in broad terms, are responsible for delivering the value proposition to CEDA members. In terms of public education and research, the CEO sets central themes in consultation with the Board. The themes are delivered by state offices in a way that suits their market, while using common systems to generate efficiency.



CEDA'S BOARD OF DIRECTORS:
 FRONT, LEFT TO RIGHT: TREVOR TAPPENDEN, IVAN DEVESON, DON MCKENZIE
 BACK, LEFT TO RIGHT: JEFF FLOYD, NEIL HATHERLY, DI YERBURY, ADRIAN KLOEDEN, DIETER ADAMSAS, PETER DOYLE, ROD BESLEY
 NOT PICTURED: GILLIAN FRANKLIN, JOHN POULSEN, PHIL RUTHVEN, TONY SMITH, DOUG MCTAGGART, IAN FERRES

BOARD OF DIRECTORS

The Board of Directors is responsible for the overall strategic direction of CEDA. It approves the fundamental values governing CEDA's operations and behaviour, and delegates, with appropriate resources, the authority to run the organisation to the CEO.

Chairman and National President

Ivan Deveson, AO

Directors

Dieter Adamsas

Leighton Contractors Limited
 Leighton Properties Limited

Peter Doyle

Chief Executive Officer
 Hella Australia Pty Ltd
Retired May 2007

Jeff Floyd

Chief Executive Officer
 Australian Motoring Services Pty Ltd

Ian Ferres

Chairman
 Treasury Corporation Victoria
From June 2007 onwards

Gillian Franklin

Managing Director
 The Heat Group Pty Ltd

Neil Hatherly

Managing Director
 RNH Consulting

Adrian Kloeden

Chief Executive Officer
 Serco Australia Pty Ltd

Don McKenzie

Managing Director
 Executive Dimensions

Doug McTaggart

Chief Executive Officer
 Queensland Investment Corporation

John Poulsen

Partner and Head of Finance
 Minter Ellison, Perth

Phil Ruthven

Executive Chairman
 IBISWorld Pty Ltd
 Chair of CEDA's Research and Publications Committee

Tony Smith

Managing Partner, SA
 Ernst & Young
Resigned September 2007

Trevor Tappenden

Chairman Heide Museum of Modern Art
 Director
 Victorian Interpreting and Translation Service
 Bionomics Limited
 Dairy Food Safety Victoria
 Primepak Manufacturing Pty Ltd
 Chair of CEDA's Audit and Risk Committee

Emeritus Professor Di Yerbury, AO

Director
 IBT Education Australia
 University Co-operative Bookshops
 Platinum Sound Ltd



COMMITTEES

Audit and Risk Committee

The Audit and Risk Committee's role is to advise on the establishment and maintenance of an internal control framework, together with management processes. It also gives the Board additional assistance regarding the quality and reliability of financial information. Committee members for 2006–07 were Trevor Tappenden (Chair), Dieter Adamsas, Peggy Stragalinos and Doug McTaggart.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is responsible for recommending criteria for selecting board members and state presidents, and providing nominations for Board consideration. The Committee also reviews the remuneration of the chief executive, and general guidelines for the chief executive's direct reports and CEDA employees in general.

Research and Publications Committee

The Research and Publications Committee helps shape CEDA's research agenda. The Chair of the Committee is Phil Ruthven.

BOARD OF GOVERNORS

CEDA's Board of Governors includes eminent Australians from business, academia and government. The Board of Governors is an advisory body, providing advice on CEDA's long-term policy priorities. It has no governance role but its members provide advice to CEDA on an ongoing basis.

National Patron

Maurice Newman, AC

Board of Governors

Victoria

Paul Anderson
The Hon. John Button
Laureate Professor Adrienne Clarke, AC
Julian Clarke
Laureate Professor Peter Doherty, AC, FAA, FRS
Peter Duncan
Rt Hon. Malcolm Fraser, AC, CH
The Hon. Sir James Gobbo, AC, CVO
Professor Brian Howe, AM
Margaret Jackson, AC
Hugh Morgan, AC
Sir Arvi Parbo, AC
Professor David Penington, AC

New South Wales

Dr Klaus Albrecht
Tim Besley, AC
The Hon. John Fahey, AC
Professor Donald Gibson
The Hon. Nick Greiner, AC
The Hon. Robert J L Hawke, AC
Meredith Hellicar
Paul Kelly, AO
David Mortimer, AO
Ken J Moss
John Phillips, AO
Richard F E Warburton, AO
Peter J Wills, AC

South Australia

Sir Eric Neal, AC, CVO

Western Australia

Michael Chaney, AO



STATE COUNCILS

State councils are advisory bodies. They assist with local implementation by the state offices. They provide insight and feedback on the market conditions in their respective states, including conference and research activities, and membership and sponsorship opportunities.

State Presidents

New South Wales

Don McKenzie
Managing Director
Executive Dimensions

Victoria

Jeff Floyd (*retired June 2007*)
Chief Executive Officer
Australian Motoring Services Pty Ltd

Ian Ferres (*from June 2007*)
Chairman
Treasury Corporation Victoria

Queensland

Doug McTaggart
Chief Executive Officer
Queensland Investment Corporation

South Australia

Tony Smith
Managing Partner, SA
Ernst & Young
*Tony Smith resigned in September 2007.
Greg Tunney, Deputy State President,
is acting as State President until an
appointment is made.*

Western Australia

John Poulsen
Partner and Head of Finance
Minter Ellison, Perth

Tasmania

Tim Burbury
Managing Director
Burbury Consulting

Australian Capital Territory

Professor Glenn Withers, AO
Australian National University

Northern Territory

Ian Kew
Chief Executive Officer
Northern Territory Airports Pty Ltd

Patron, Northern Territory

Ted Egan, AM
Administrator of the Northern Territory



CEDA MANAGEMENT



Chief Executive Officer
David Byers



Financial Controller
Wayne Box



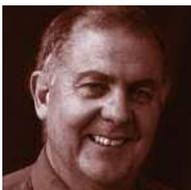
State Director, SA
Hamilton Calder



State Director, NSW and ACT
Dr Suzanne Rickard



State Director, WA
Lisa Scaffidi



State Director, VIC and TAS
John Harris



**Research and
Communications Director**
David Walker



**Deputy Chief Executive
and State Director,
QLD and NT**
Greg Meek



Director of Research
Dr Ian Marsh

concise financial report



SOURCES OF FUNDING FOR OPERATING ACTIVITIES

	2006 \$000	2005 \$000
	40,482	14,191
	54,573	
	58,433	52,177
	1,212	2,398
	9,798	10,860
	(8,586)	(8,464)

COMMERCIAL REVENUE SOURCES

	19,627	19,242
	7,108	18,313
	1,644	1,112
	0	791
	8	10
	28,387	39,428

	293	0
	18,344	21,280
	18,637	21,280
	1,164	9,684

FINANCIAL REPORT

	2006 \$000	2005 \$000
	1,164	9,684
	27,250	0
	28,414	9,684

Overall cash held at the end of the Financial Year was significantly impacted by the early receipt of \$27.25m of 2008/07 commitment grants. If this event did not occur then overall cash at flow of \$2.5m would have occurred in 2005/06.

	2006 \$000	2005 \$000
	58,373	61,881
	27,250	0
	61,881	61,881



OVERVIEW

In recent years, CEDA has established sound financial foundations by implementing initiatives that have added value to CEDA members. Initiatives have included undertaking leading-edge research into issues of economic relevance to our members, ensuring CEDA's program of activities has practical application, more actively communicating and engaging with members, and further developing CEDA's leadership with the continued development of the highly successful roundtables for CEOs and CFOs.

Income statement

Revenue of \$6.41 million represents an 11 per cent increase from 2005–06. The most significant contribution to this increase was from CEDA events, which attracted record levels of attendance for another year. Expenditure increased by 9 per cent, reflecting the increased conference activity and investment in more headcount year-on-year. Current year results were also affected by \$79,509 in the disposal of non-current assets which were written off as part of an overhaul in IT systems. With this in mind, the underlying trading result was a net deficit of \$6,952.

Balance sheet

Total members' funds (equity) fell by 8 per cent to \$1.0 million following the deficit result for the year. Total assets remained relatively constant at \$2.31 million.

Statement of cash flows

The balance of cash held at the reporting date was \$1.50 million. This is considered the benchmark, or ideal level, at which CEDA maintains a strong financial position with the ability to maintain and further invest in our systems and people.



Underlying break-even trading results

While the reported operating deficit was \$86,461, the underlying trading result was a deficit of \$6,952. The current year results were affected by a non-recurring write-off of IT equipment of \$79,509, which has been taken into account in the underlying trading result as follows:



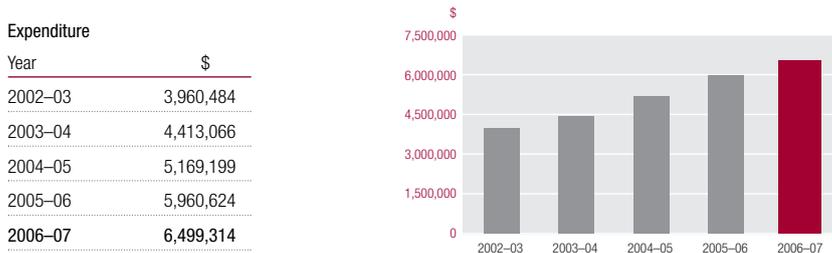
Revenue up

Revenue was up by 11.3 per cent on 2005-06, mainly due to increased conference and event activity.



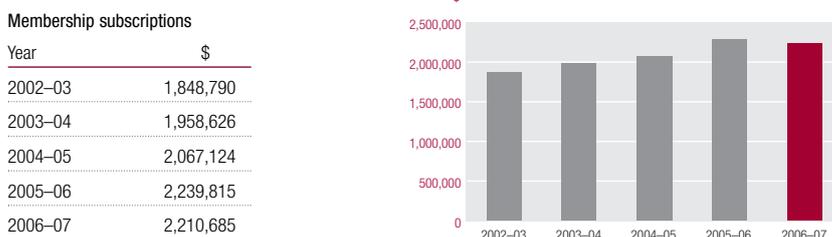
Servicing members

Expenditure increased by 9 per cent, reflecting greater event activity and staffing costs.



Member engagement

Membership subscriptions remained relatively flat during the year (down 2 per cent) following four years of continued and rapid growth.



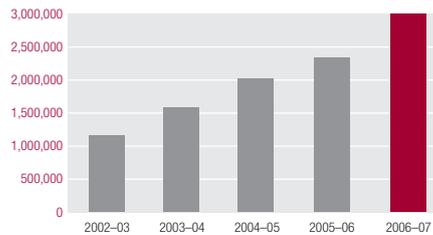


High-quality events program

CEDA's wide-ranging and high-quality event program continued another successful year with registration fees up 28 per cent on the previous year.

Conference registrations

Year	\$
2002-03	1,154,150
2003-04	1,579,568
2004-05	2,016,563
2005-06	2,336,130
2006-07	2,990,762

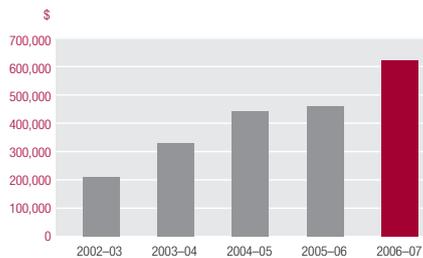


Sponsorship support

CEDA's event subjects struck a chord with existing and new sponsors, providing brand awareness and exposure in front of CEDA's high-level audiences. Total event sponsorship rose by 35.9 per cent in the reporting period.

Sponsorship income

Year	\$
2002-03	205,636
2003-04	324,694
2004-05	434,107
2005-06	451,696
2006-07	613,931

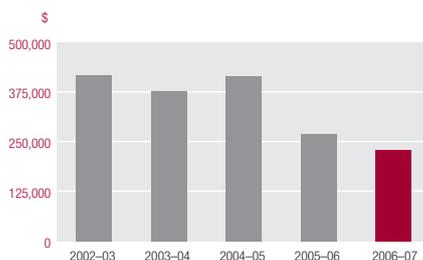


Research support

Research income fell by 24.1 per cent in the reporting period.

Research income

Year	\$
2002-03	417,870
2003-04	378,991
2004-05	416,248
2005-06	270,161
2006-07	229,583

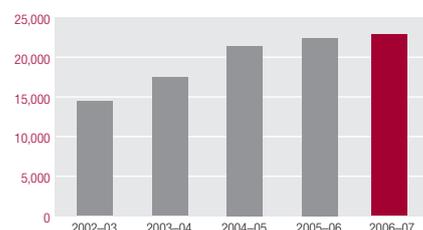


Fourth consecutive year of record attendance

Attendance at CEDA events nudged past last year's record, closing just under 23,000 for the year. This reflects continuing demand for knowledge of public policy and business best practice issues.

Attendance

Year	Number of people
2002-03	14,441
2003-04	17,451
2004-05	21,413
2005-06	22,408
2006-07	22,944



ng profit before dep
 cation
 profit/(loss) including depreciation
 Other Activities
 Revenues
 Strategic asset management grants
 Other capital grants
 Asset-related revenues & adjustments
 Increase in prepaid superannuation
 Appeal fund
 Expenses
 Decrease in prepaid superannuation
 Refreshment & maintenance expenses
 Activities

19,877	19,247
7,108	18,313
1,044	1,112
0	751
8	10
<u>28,037</u>	<u>39,428</u>
293	0
18,344	21,280
<u>18,637</u>	<u>21,280</u>
1,184	9,884



CONCISE FINANCIAL REPORT

The financial statements and other specific disclosures are an extract of, and have been derived from the full financial report of the Committee for Economic Development of Australia (the Company or CEDA) 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 2007 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 2007 Annual Financial Report can also be requested by telephone on +61 3 9662 3544.

Directors' report

To the Members of the Committee for Economic Development of Australia.

Your Directors have pleasure in presenting their report on the Company for the financial year ended 30 June 2007.

1. The names of the Directors in office at the date of this report are:

- IA Deveson, AO
- DS Adamsas
- DW Byers
- IN Ferres
- JL Floyd
- G Franklin
- N Hatherly
- AJ Kloeden
- DC McKenzie
- D McTaggart
- JA Poulsen
- PKG Ruthven
- A Smith
- TW Tappenden
- D Yerbury, AO

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

President

IA Deveson, AO

Chair, Board of Directors

IA Deveson, AO

Honorary Treasurer

TW Tappenden

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

W Box

Financial Controller

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.

No significant change in the nature of these activities occurred during the year.



3. The net loss of the Company was \$86,461 (2006 – \$198,815). CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. CEDA is a company limited by guarantee and in the event of winding up each member is liable for any sum not exceeding \$500.

4. The Memorandum of Association specifically prohibits the payment of any dividend to Members.

5. Information on Directors:

Ivan A Deveson, AO	National President and Chairman of the Board, CEDA Patron, Melbourne City Mission
Dieter S Adamsas	Director, Leighton Contractors Pty Limited and Leighton Properties Pty Limited President, Financial Executives International of Australia
David W Byers	Chief Executive Officer, CEDA
Ian N Ferres	Consultant, TressCox Lawyers Chairman, Treasury Corporation of Victoria Director, Australian Unity Limited and St Vincent's Health (Melbourne) Member, Australia Day (Victoria) Committee
Jeffrey L Floyd	Chief Executive Officer, Australian Motoring Services Pty Ltd Adjunct Professor Tourism and Marketing, Victoria University
Gillian Franklin	Managing Director, The Heat Group Pty Ltd Director, Cosmetic, Toiletry and Fragrance Association of Australia, Microsurgery Foundation, Australian Grand Prix Corporation and Melbourne Theatre Company
Neil Hatherly	Managing Director, RNH Consulting Council Member, University of Newcastle Director, Brisbane Transport, Brisbane Polo Club and Indooroopilly Golf Club
Adrian J Kloeden	Chairman, Serco Asia Pacific Deputy Chancellor, Deakin University Chairman, Forestry Tasmania Director, Infrastructure Partnerships Australia
Donald C McKenzie	Managing Director, Executive Dimensions Chairman and Director, Community Connections Australia (CCA)
Douglas McTaggart	Chief Executive, Queensland Investment Commission Council Member of Queensland University of Technology, National Competition Council and COAG Reform Council
John A Poulsen	Managing Partner and Head of Finance Minter Ellison Perth WA Customer Service Council
Phil K G Ruthven	Chairman IBIS World Pty Ltd
Anthony Smith	(Resigned September 2007)
Trevor W Tappenden	Chairman, Heide Museum of Modern Art Director, Victorian Interpreting and Translation Service, Bionomics Limited, Dairy Food Safety Victoria and Primepak Manufacturing Pty Ltd Councillor, RMIT University Trustee, The Ernest Heine Family Foundation
Professor Di Yerbury, AO	Director, IBT Education Australia, University Co-operative Bookshops and Platinum Sound Ltd International Ambassador, International College of Management, Sydney Regional Chair, International Association of University Presidents

ng profit before dep
 cation
 profit/(loss) including depreciation
 her Activities
 Revenues
 Strategic asset management grants
 Other capital grants
 Asset-related revenues & adjustments
 Increase in prepaid superannuation
 Appeal fund
 Expenses
 Decrease in prepaid superannuation
 Refreshment & maintenance expenses
 Activities

19,877	19,242
1,108	18,313
1,044	1,112
0	751
8	10
<u>28,387</u>	<u>39,428</u>
293	0
18,344	21,280
<u>18,637</u>	<u>21,280</u>
1,184	9,884



6. Meetings of Directors

	Number eligible	Number attended
IA Deveson, AO	5	5
DS Adamsas	5	3
CA Baldwin	1	1
RG Besley	2	2
DW Byers	1	1
PF Doyle	3	3
J L Floyd	5	4
G Franklin	5	3
N Hatherly	5	5
AJ Kloeden	5	4
DC McKenzie	5	3
D McTaggart	2	2
JA Poulsen	5	3
PKG Ruthven	5	3
A Smith	5	2
TW Tappenden	5	5
D Yerbury, AO	5	5

No significant changes in the Company's state of affairs occurred during the financial year.

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

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

With the exception of the following matters:

During this financial year the Company has paid premiums to insure all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company other than conduct involving wilful breach of duty in relation to the Company.

Signed at Melbourne this 4th day of October 2007
in accordance with a Resolution of the Board of Directors

DIRECTOR
 T W Tappenden
 Director

DIRECTOR
 I A Deveson, AO
 Chair

Income statement

Concise financial report
Committee for Economic Development of Australia
for the year ended 30 June 2007

	NOTE	2007 \$	2006 \$
Revenue	3	6,412,853	5,761,809
Auditors' remuneration		(12,000)	(16,250)
Bad and doubtful debt expense		(5,615)	(7,524)
Depreciation and amortisation expense		(96,397)	(92,936)
Employee benefits expense		(2,911,869)	(2,884,946)
Finance costs		(28)	(22)
Lease expense		(500,364)	(442,020)
Research and related conferences and briefings expense		(1,530,227)	(1,428,696)
Other expenses		(1,442,814)	(1,088,230)
(Loss) attributable to entity		(86,461)	(198,815)

The notes on pages 44 to 45 are an integral part of these financial statements.

Balance sheet

Concise financial report
Committee for Economic Development of Australia
as at 30 June 2007

	NOTE	2007 \$	2006 \$
Current assets			
Cash and cash equivalents		1,503,745	1,575,598
Trade and other receivables		429,570	380,382
Other current assets		74,522	92,270
Total current assets		2,007,837	2,048,250
Non current assets			
Plant and equipment, leasehold improvements		298,310	290,874
Total non current assets		298,310	290,874
TOTAL ASSETS		2,306,147	2,339,124
Current liabilities			
Trade and other payables		567,088	556,587
Short-term provisions		172,098	133,466
Subscriptions and income in advance		448,406	478,404
Total current liabilities		1,187,592	1,168,457
Non current liabilities			
Long-term provisions		95,919	61,570
Total non current liabilities		95,919	61,570
TOTAL LIABILITIES		1,283,511	1,230,027
NET ASSETS		1,022,636	1,109,097
Equity			
Retained earnings		199,586	286,047
Reserves	4	823,050	823,050
TOTAL EQUITY		1,022,636	1,109,097

The notes on pages 44 to 45 are an integral part of these financial statements.

Statement of cash flows

Concise financial report
Committee for Economic Development of Australia
as at 30 June 2007

	2007 \$	2006 \$
Cash flows from operating activities		
Receipts from operations:		
Subscriptions	2,107,109	2,239,815
Research and related conferences and briefings	4,186,475	3,399,930
Payment to suppliers and employees	(6,242,749)	(5,801,563)
Interest received	62,518	61,201
Borrowing costs	(28)	(22)
Net cash from (used in) operating activities	(95,325)	(100,639)
Cash flows from investing activities		
Proceeds from sale of plant and equipment	0	545
Purchase of plant and equipment	(167,178)	(128,544)
Net cash used in investing activities	(167,178)	(127,999)
Net (decrease) in cash held	(71,853)	(228,638)
Cash at beginning of year	1,575,598	1,804,236
Cash at end of year	1,503,745	1,575,598

The notes on pages 44 to 45 are an integral part of these financial statements.

Notes to the financial statements

Concise financial report
Committee for Economic Development of Australia
for the year ended 30 June 2007

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 the in Company's full financial report.

The presentation currency is Australian dollars.

Note 2: Use of estimates and judgements

The preparation of financial statement requires management to make judgements, 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 statements:

- Note 5 – judgements made in determining provision for doubtful debts

Note 3: Revenue

	2007	2006
	\$	\$
Operating activities		
Subscriptions	2,210,685	2,255,178
Research and related conferences and briefings	4,139,650	3,444,88
	6,350,335	5,700,06
Non-operating activities		
Interest	62,518	61,201
Proceeds on disposal of plant and equipment	–	545
Total revenue	6,412,853	5,761,809
a) Interest from:		
Other persons	62,518	61,201
	62,518	61,201

Notes to the financial statements

Concise financial report
 Committee for Economic Development of Australia
 for the year ended 30 June 2007

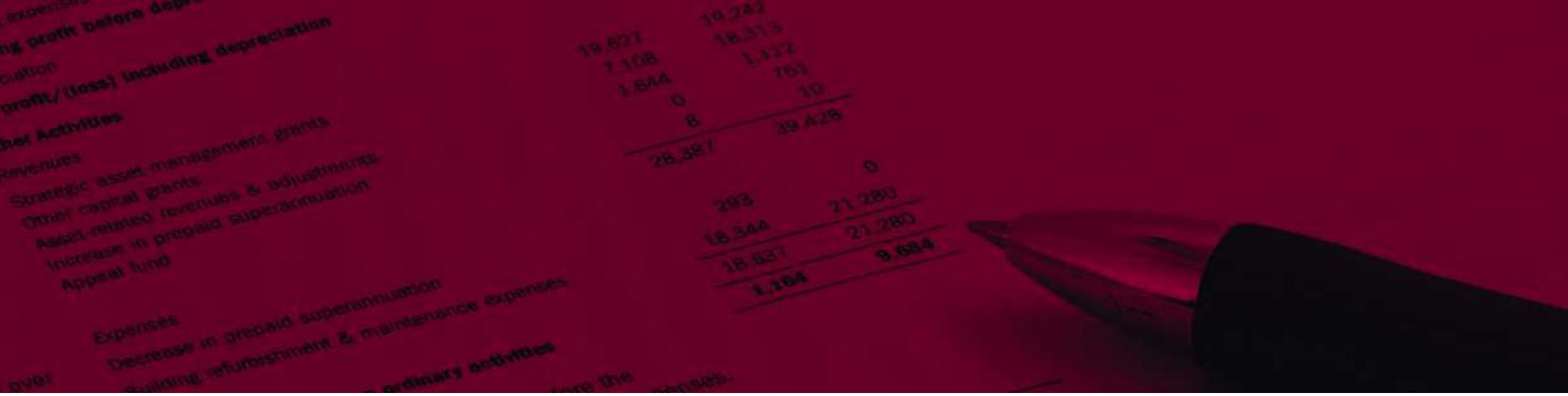
Note 4: Capital and reserves

	Retained earnings \$	Research reserve \$	Total \$
Balance at 1 July 2005	484,862	823,050	1,307,912
Profit/(Loss) attributable to members	(198,815)		(198,815)
Balance at 30 June 2006	286,047	823,050	1,109,097
Profit/(Loss) attributable to members	(86,461)		(86,461)
Balance at 30 June 2007	199,586	823,050	1,022,636

The Research Reserve has been set up to finance future research. The Research Reserve is also accessible at the Board's discretion for emergency purposes.

Note 5: Dividends

CEDA's Memorandum of Association specifically prohibits payment of any dividend to Members. Accordingly, no dividends were paid or proposed in the current or prior financial years.



DIRECTORS' DECLARATION

In the opinion of the directors of Committee for Economic Development of Australia, the accompanying concise financial report of the company for the financial year ended 30 June 2007, set out on pages 34 to 45:

- (a) has been derived from or is consistent with the full financial report for the financial year; and
- (b) complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Dated at Melbourne this 4th day of October 2007.

Signed in accordance with a resolution of the Board of Directors

DIRECTOR
T W Tappenden
Director

DIRECTOR
I A Deveson, AO
Chair



Turville, Reeve & Associates

Certified Practising Accountants

Terry J Reeve CPA

INDEPENDENT AUDIT REPORT

To the Members of

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Committee for Economic Development of Australia (the company), which comprises the balance sheet as at 30th June 2007 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' report and declaration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Accounting Standard AASB 101; Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensure that the financial report comprising the financial report and notes, complies with IFRS.

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. These 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 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes



Turville, Reeve & Associates

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 Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion:

- a) The financial report of Committee for Economic Development of Australia is in accordance with the company's constitution, including;
 - i) giving a true and fair view of the company's financial position as at 30th June 2007 and of its performance for the year ending on that date, and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the company's constitution; and
- b) The financial report also complies with International Financial Reporting Standards as discussed in note 1.

Signed at Melbourne the 4th day of October 2007.

.....
Terry J Reeve CPA
Partner

Turville Reeve & Associates.



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