



# annual report 2002 | 03



## CONTENTS

Chairman's and President's Report . . . . .	2
CEDA Patron . . . . .	3
CEDA Board of Governors . . . . .	3
Chief Executive Officer's Report . . . . .	4
Governance . . . . .	6
Management Team . . . . .	8
Communications . . . . .	8
Membership . . . . .	10
Conference Activity . . . . .	12
Policy and Research . . . . .	16
International Activity . . . . .	20
State Activities . . . . .	22
Concise Financial Report . . . . .	28



PRIME MINISTER, JOHN HOWARD; DAVID EDWARDS, CEO CEDA, AND IVAN DEVESON, CHAIR OF THE BOARD CEDA, AT CEDA SYDNEY IN NOVEMBER 2002.

‘CEDA makes an important contribution in Australia to emerging public policy debates. It is independent and bipartisan, and continues to engage leaders not only from business but also from government, academia and community organisations.’

**PRIME MINISTER JOHN HOWARD** SPEAKING AT CEDA, SYDNEY, NOVEMBER 2002.



*LEADERS ACTIVE IN AUSTRALIA'S DEVELOPMENT*



IVAN DEVESON AO,  
CHAIR OF THE BOARD

The strategic plan underlines CEDA's unique role as an independent business think tank, leading debate about economic development in Australia

## chairman's and president's report

### **New Constitution**

As incoming Chairman and National President at the November 2002 AGM, I wish to thank outgoing Chairman, Bruce Kean and outgoing National President, John Harkness for their leadership at CEDA. In particular, Bruce Kean did an outstanding job in leading the development of a new constitution for CEDA. The constitution streamlines the governance and decision-making processes at CEDA, while still making provision for effective member involvement in grassroots State Advisory Committees. It also introduces flexibility into CEDA's membership categories to be more responsive to member needs.

### **New CEO and Corporate Strategy**

We were pleased to welcome David Edwards as CEDA's new Chief Executive Officer from the beginning of the 2002–03 year, replacing Dr John Nieuwenhuysen who had provided excellent leadership of CEDA over the previous six years. The first task of the new CEO was to develop, with the Board, a new strategic plan to guide CEDA over the next three years.

The strategic plan underlines CEDA's unique role as an independent business think tank, leading debate about economic development in Australia, within a socially balanced and sustainable context. Uniquely, CEDA brings together leaders from the business, government and academic sector in debating and researching emerging issues in public policy, business best practice and leadership.

### **Board of Directors**

CEDA is privileged to have a Board of Directors representative of its diverse membership across all states and business sectors. Outgoing Directors were replaced with high quality new Board members. Appreciation to Bruce Kean, John Harkness, John McKindley and Cathy Walter for their valuable service to CEDA.

### **Board of Governors and National Patron**

CEDA's new constitution made provision for a CEDA National Patron to champion CEDA nationally, and particularly in Sydney when the President is located in Melbourne. CEDA has also established a Board of Governors, made up of prominent leaders from business, government and academia, to provide us with advice on our long-term policy priorities.

Finally, I would like to thank the staff of CEDA for their achievements during the year, and, most importantly, the members of CEDA without whom we could not achieve what we do.

IVAN DEVESON AO

MAURICE NEWMAN AC  
CEDA PATRON



# patron and board of governors

## National Patron

Maurice Newman AC became CEDA's first National Patron during 2002. He has assisted in the promotion of CEDA and its goals.

Maurice Newman is Chairman of the Australian Stock Exchange; Director, Australian Broadcasting Corporation; Chancellor of Macquarie University and Advisor to the Marsh Group of Companies. His career spans 40 years in stockbroking and investment banking. He was Managing Director (1984) and Executive Chairman (1985–99) of what is now the Deutsche Bank Group in Australia and Chairman of the Deutsche Bank Asia Pacific Advisory Board and a Director of Deutsche Bank Asia Pacific (1999–2001). In 2003 he was awarded the Centenary Medal for outstanding service to the financial services industry.

## Board of Governors

CEDA has established a Board of Governors, made up of eminent individuals from business, academia and government. The Board of Governors is an advisory body which provides advice on CEDA's long-term public policy priorities. It has no governance role. The Board of Governors meets formally twice each year, once in Melbourne and once in Sydney, but members are encouraged to provide advice to CEDA on an ongoing basis. Victorian membership has been confirmed and the NSW membership will be finalised during 2003–04.

## BOARD OF GOVERNORS

### PAUL ANDERSON

Company Director, Managing Director and Chief Executive Officer, BHP Billiton Ltd (1999–2002)

### HON JOHN BUTTON

Minister for Industry Technology and Communications  
Leader of the Government in the Senate (1983–93)

### PROFESSOR ADRIENNE CLARKE, AO

Company Director, Lt. Governor Victoria (1997–2000)  
Chair CSIRO (1991–1996)

### JULIAN CLARKE

Managing Director, The Herald & Weekly Times

### PROFESSOR PETER DOHERTY, AC

University of Melbourne  
Nobel Prize for Medicine (1996)

### PETER DUNCAN

Company Director, Chairman Shell Australia (1999–2001)

### RT HON MALCOLM FRASER, AC

Prime Minister of Australia (1975–83)  
President, CARE International (1990–95)

### HON SIR JAMES GOBBO, AC

Governor of Victoria (1997–2000)  
Supreme Court Judge (1978–1994)

### PROFESSOR BRIAN HOWE, AM

Deputy Prime Minister of Australia (1991–95)

### MARGARET JACKSON, AC

Company Director and Chairman  
Qantas Airways Limited

### HUGH MORGAN, AC

Company Director, CEO (1990–2002) and  
Managing Director (1996–2002) WMC Ltd  
Reserve Bank Board Member

### LINDA NICHOLLS

Company Director and Chairman, Australia Post

### SIR ARVI PARBO, AC

Managing Director WMC Ltd (1971–86)  
Chairman Broken Hill Pty Co. Ltd (1989–92)

### PROFESSOR DAVID PENINGTON, AC

Company Director, Vice Chancellor  
University of Melbourne (1989–95)



DAVID EDWARDS AM, CEO

The priority during the year was to ensure CEDA's program of activities was relevant, engaging and informative for members.

## chief executive officer's report

**During 2002–03 CEDA improved its financial performance in all areas of activity, and finished on plan with a deficit of \$192,409. Following a strategic review, CEDA's mission was modified to include emerging issues in public policy, business best practice and leadership.**

The priority during the year was to ensure CEDA's program of activities was relevant, engaging and informative for members. A pleasing result was a 19 per cent increase in attendance and involvement in CEDA activities. CEDA conferences were segmented into six programs, and members were encouraged to nominate up to four Trustees to maximise involvement in the diverse activities.

The public policy program was designed around six broad public policy themes which link CEDA's research activities with conferences. Particular focus was given to three issues: 'Water and the Australian Economy', part of the Sustainable Development theme; 'Innovating Australia', a component of the Productivity Growth theme; and 'The Economic and Social Impacts of Australia's Ageing Population'. The three research project outputs will be launched in 2003–04, and we hope they will yield substantial debate.

CEDA's business best practice program, while active, is still being developed. Further components of our leadership program were developed during the year, with the launch of the Copland Leadership Program, and additional new initiatives planned for 2003–04.

A further priority during the year was to increase the influence of CEDA activity on economic and social development. CEDA increased its interaction with governments at state and federal level, to ensure improved two-way communication. A highlight of the year was the Prime Minister's landmark address to CEDA on the Government's strategic policy priorities.

CEDA appointed some new members to its senior staff team in 2002–03. Bob Lim became the NSW Director, injecting added rigour into CEDA's public policy planning, and Ian Marsh was appointed Research Director. Towards the end of the year, Nick Dimopoulos took over as CFO to replace long serving member of staff, Matt Kumar.

Communications to members and the community in general have also received higher priority during the year. An upgraded website, a monthly electronic newsletter and increased levels of media activity have been part of this strategy. This Annual Report is designed to further improve our communications.

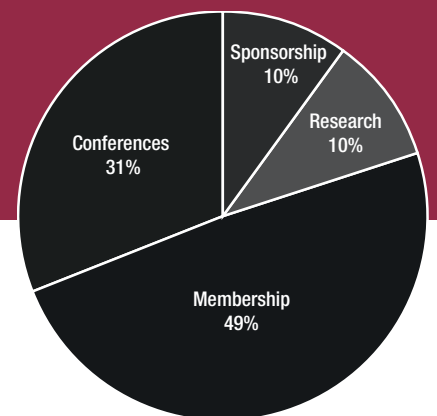
D EDWARDS

# CEDA mission

To undertake high quality research and discussion into emerging issues impacting Australia's economic and social development:

- influencing **public policy** to achieve economic development, with social balance
- identifying **business best practice** to improve management decision-making
- developing **leadership**, well informed about issues impacting economic and social development.

CEDA ACTIVITY:  
% OF REVENUE BY ACTIVITY



# CEDA values

- we act with integrity
- we seek thought leadership
- we welcome diversity of views
- we encourage inclusive and engaging activity
- we are independent, without self-interest
- we strive for objective, credible and quality results



## governance

### **CEDA Board**

#### **National President and Chair of the Board Ivan Deveson, AO**

Formerly the National President of the Australian Institute of Management, and an international automobile and television executive. Mr Deveson was Lord Mayor of Melbourne from 1996–99.

### **Directors**

#### **Dieter Adamsas**

Deputy Chief Executive Officer  
and Chief Financial Officer  
Leighton Holdings Limited

#### **Rod Besley**

Managing Partner, Hogan Besley Boyd

#### **Peter Doyle**

Chief Executive Officer, Hella Australia Pty Ltd

#### **David Edwards, AM**

Chief Executive Officer, CEDA

#### **Jeff Floyd**

Chief Executive Officer  
Australian Motoring Services Pty Ltd

#### **Ruth Harrison**

General Manager  
Hilton on the Park Melbourne

#### **John Heard**

Director, J H Heard Pty Ltd  
Chairman, Board of Advice, Bank SA

#### **Adrian Kloeden**

Chief Executive Officer, Serco Australia Pty Ltd

#### **Don McKenzie**

Group Executive Officer, Gadens Lawyers

#### **Varina Nissen**

Managing Director, Australia and  
New Zealand, Manpower Services

#### **John Poulsen**

Partner, Minter Ellison

#### **Helen O'Sullivan**

Director, The Grid Company Pty Ltd

#### **Phil Ruthven**

Executive Chairman, IBISWorld Pty Ltd

#### **Trevor Tappenden**

Chair of Audit Committee, CEDA  
Director

#### **Prof Di Yerbury, AO**

Vice Chancellor, Macquarie University

### **Directors retiring November 2002**

John Harkness

Bruce Kean AM

John McKindley

Cathy Walter AM

## Corporate Governance

### Board Constitution

The Board of Directors is appointed by members. With the exception of the CEO, no Director is able to serve more than two consecutive three-year terms. The CEO is a permanent employee, and is not subject to re-election.

The composition of the Board reflects the diverse nature of CEDA members, and Directors are selected to bring a range of experience to CEDA in planning its forward agenda. Importantly, the Board is also representative of the geographical spread of members in all states.

### Committees of the Board

Two Committees of the Board have been established.

The Audit 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. Members of the Audit Committee are: Trevor Tappenden (Chair), Dieter Adamsas, John Harkness and Darren Scammel.

The Appointments and Remuneration Committee is responsible for recommending criteria for selection of Board members and State Presidents, and providing nominations for Board consideration. The Committee also reviews the remuneration of the CEO, and general guidelines for direct reports and staff in general.

### Standing Committees

CEDA currently has two Standing Committees, which are chaired by Board Directors and are advisory committees to the CEO. The Research Committee is responsible for providing advice on research priorities, quality and management. The Chair of the Committee is Phil Ruthven.

The International Relations Committee is responsible for providing advice on international relations activities, and identifying appropriate projects and issues with an international focus. The Chair of the Committee is Professor Di Yerbury.

### State Committees

CEDA has a State Committee in each state with the exception of Tasmania, and State Presidents in all states, as well as the ACT. The Committees provide to the CEO and State Directors, advice and guidance about key issues in their state. The Chair of the State Committee is the State President, and if possible, the State President is a member of CEDA's Board of Directors.

### The State Presidents of CEDA during 2002–03 were:

**Victoria** Jeff Floyd, Chief Executive Officer, Australian Motoring Services Pty Ltd

**New South Wales** Don McKenzie, Group Executive Officer, Gadens Lawyers

**Queensland** Kerry Herron, Executive Chairman, Herron Todd White Australia

**South Australia** Mike Terlet AO, Economic Development Director, United Water International

**Western Australia** Terry Agnew, Group Chief Executive, RAC Group

**Tasmania** Ronald Banks AM

**ACT** Prof Glenn Withers AO, Australian National University

The composition of the Board reflects the diverse nature of CEDA members, and Directors are selected to bring a range of experience to CEDA in planning its forward agenda.

# CEDA management team



DAVID EDWARDS AM, CEO

OPPOSITE PAGE, FROM LEFT TO RIGHT:

**Nick Dimopoulos**, CFO (from 1 July 2003)

**Bob Lim**, COO and Director New South Wales, National Policy Director

**Chris White**, Director, Victoria and National Conference Director

**Jan McMaster**, Director Queensland (Queensland Counsellor from 1 July 2003)

**David Shetliffe**, Director, South Australia

**Lisa Scaffidi**, Director, Western Australia

**Catriona Wyatt**, National Business Development Director

**Dr Ian Marsh**, Director of Research

**Margaret Mead**, Deputy Director of Research, Publications Manager

A number of State Directors have national co-ordinating roles to ensure consistency of CEDA work and quality across the country, as well as providing the opportunity for each to be responsive to local priorities.

## communications

### Media

CEDA activities attracted considerable media attention during 2002–03. Highlights included extensive coverage of two CEDA publications:

- 'Privatisation: A Review of the Australian Experience', the 2002 issue of CEDA's annual policy review *Growth*, and
- CEDA White Paper, launched at the CEDA–Royal&SunAlliance Economic and Political Overview conferences in February 2003.

Throughout the year CEDA provided a number of Opinion Pieces and issued nine national media releases. The Prime Minister's address to CEDA in November 2002, which outlined the Government's strategic policy priorities, received widespread media attention. Other CEDA seminar and conference activities also generated significant media interest. In particular, addresses to CEDA by Ziggy Switkowski, CEO of Telstra; Senator Richard Alston, and Dr David Morgan, CEO Westpac Banking Corporation, were prominently covered. Overall, CEDA activities were reported 69 times in the national print and electronic media.

### Electronic communications

#### CEDA Website

[www.ceda.com.au](http://www.ceda.com.au)

The CEDA website was revamped and re-launched in May 2003. The new website provides comprehensive information about CEDA activities in a user-friendly format.

Features of the website include:

- updates of CEDA activities by strategic theme
- news of CEDA's research and policy program
- member access to CEDA speeches and publications
- details of CEDA functions with registration forms
- a new Media Centre containing CEDA Media Releases and details of CEDA media coverage





### CEDA E-Newsletter

CEDA's electronic newsletter was expanded in the second half of 2002 to provide members with a monthly update of CEDA activities around the nation. The newsletter highlights recent CEDA meetings and research and provides online links to CEDA speeches and publications. The e-newsletter enables all Trustees to benefit from CEDA activities, regardless of the city in which they occur. The newsletter is emailed to all members and is also available on the CEDA website.

### CEDA Publications July 2002–June 2003

**'Australian Chief Executive'**

July 2002, October 2002 and April 2003

**'Industrial Relations Reform: Who Are the Pro-Reformers?'**\*

Tim R L Fry, Kelly Jarvis and Joanne Loundes

Tim R L Fry, Kelly Jarvis and Joanne Loundes

**'Beyond the Boundaries: The Contribution of Regions to Queensland's Economic Development'**

Stephen Jones

**'Industrial Relations Reform at the Enterprise and Workplace'**\*

Tim R L Fry, Kelly Jarvis and Joanne Loundes

**'Forces Shaping Firms' Decisions to Innovate: Evidence from Large Australian Organisations'**\*

Elizabeth Webster

**'Economic and Political Overview'**

Ric Simes, Brett Ward and Kenneth Wiltshire  
CEDA White Paper No 23

**'Privatisation: A Review of the Australian Experience'**

Edited by Margaret Mead and Glenn Withers  
Growth 50

**'Cost Focussed Firms and Internet Usage'**\*

Joanne Loundes

**'Are Pro-Reformers Better Performers?'**\*

Tim R L Fry, Kelly Jarvis and Joanne Loundes

**'Industrial Relations Reform and Business Performance: An Introduction'**\*

Mark Wooden, Joanne Loundes and Yi-Ping Tseng

**'Factors Affecting the Industrial Relations Climate in Australian Enterprises'**\*

Elizabeth Webster and Joanne Loundes

\* Jointly published by CEDA, the Melbourne Institute, the Business Council of Australia and IBISWorld



# membership

## **Membership Activities**

During the year CEDA increased benefits to its major members by allowing each member to nominate up to four Trustees. A number of CEDA activities are reserved for Trustees only.

### **CEDA activities include:**

#### **Premier events — CEOs and principals of members**

- CEDA Roundtable

#### **Trustee events — Trustees of members**

- Boardroom Briefings
- Gold Club, CEDA Club, etc.

#### **Executive events and activities — Executives of members**

- Conferences
- Briefings
- Policy Roundtables
- Research Activities

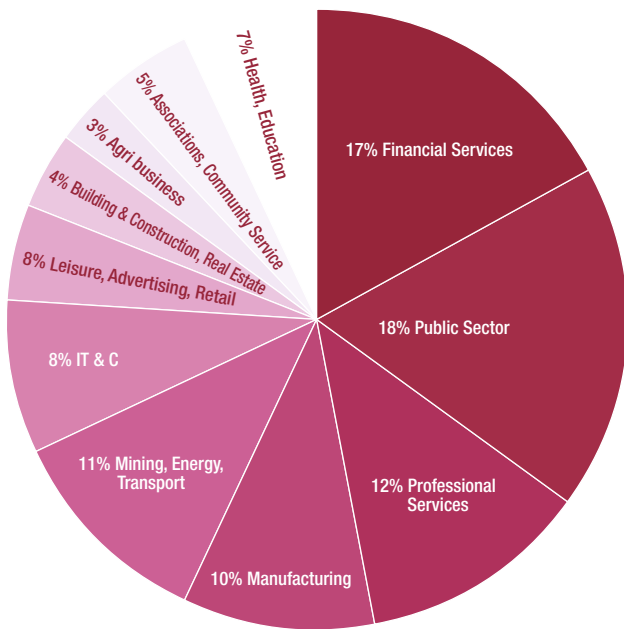
## **Member Benefits**

During the year members were asked to identify the most significant benefits they gained from their CEDA membership. The most frequently cited were:

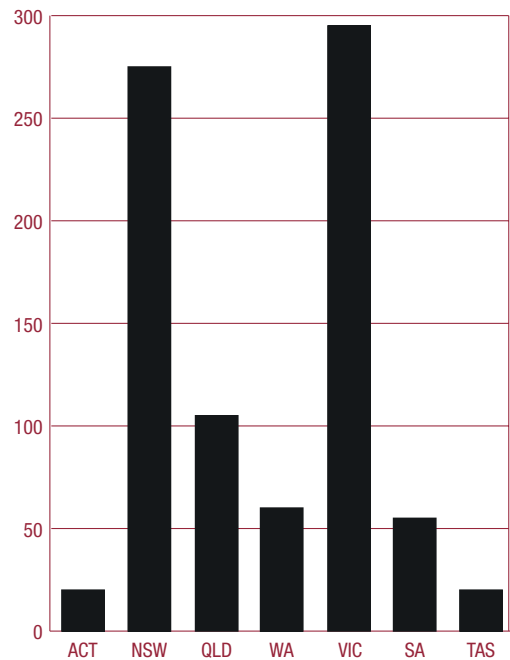
- engagement in Australia's economic and social development
- information and interpretation on emerging issues
- diffusion of business knowledge and best practice
- executive development
- access to experts and leaders
- key business and political network.

## **Membership Categories**

At the beginning of 2003 CEDA introduced new membership categories with the intention of delivering greater benefits to existing CEDA members, and also opening up CEDA to leaders from sectors which had previously found CEDA difficult to access. These included new industries, such as biotechnology.



MEMBERSHIP BY INDUSTRY CATEGORIES



STATE MEMBERSHIP NUMBERS

#### MEMBER LEVEL

#### FEATURES

##### Premier Corporate

Access to all CEDA activities  
Principal Trustee has exclusive access to premier CEDA activities, such as the CEDA Roundtable  
Up to four Trustees can be nominated

##### Corporate

Available to interstate branches of Premier Corporate members, where full Premier membership is not required in the state  
Up to two Trustees can be nominated  
Access for executives to CEDA's conference and research programs

##### Business

Available to smaller businesses  
A single Trustee can be nominated, with access to CEDA's conference and research programs

##### Individual

Available to sole proprietors, non-executive directors and other leaders in active public debate  
Access to CEDA's conference and research programs

# conference activity

## Comprehensive Program

During 2002–03 CEDA managed in excess of 200 events throughout Australia with total attendance of approximately 12,500.

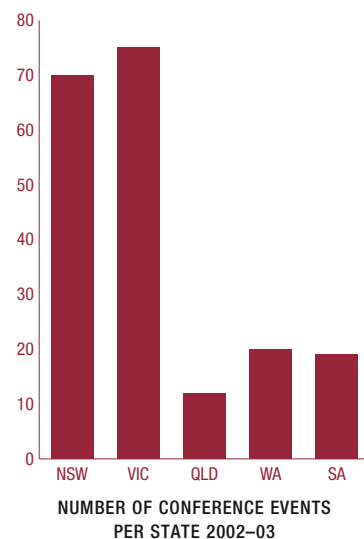
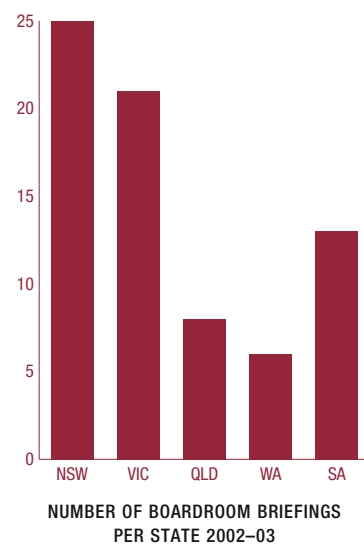
While CEDA's most visible events are its large formal presentations, the most frequent and popular are the smaller events, held in Melbourne and Sydney in CEDA's conference room, where informality and interactive discussion are the hallmarks.

## Boardroom Briefings

Least visible, but perhaps the most important of CEDA events, are its Trustee-only Private Boardroom Briefings. These briefings, hosted by members in their boardrooms, often offer the greatest opportunity for learning, relationship building and influence.

## Sponsorships

CEDA offers its members the opportunity to sponsor its research and conference activities. Without such sponsorship CEDA would not be able to undertake the current quality and range of activities.





DAVID MORGAN, CEO WESTPAC, ADDRESSED CEDA FUNCTIONS IN SYDNEY, PERTH AND ADELAIDE DURING 2002-03.

SEGMENT	OBJECTIVE	ISSUES
Strategic Public Policy	Stimulate debate and influence public policy	<ul style="list-style-type: none"> <li>• Productivity drivers</li> <li>• Sustainable development</li> <li>• Education and innovation</li> <li>• Regulatory reform</li> <li>• Intergenerational change</li> <li>• Infrastructure, energy</li> </ul>
Business Best Practice	Diffusion of business knowledge and emerging best practice	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Triple Bottom Line, reputation</li> <li>• New technology</li> <li>• HRM and workplace change</li> <li>• Knowledge management</li> </ul>
Leadership	Share best leadership practice and develop emerging leaders	<ul style="list-style-type: none"> <li>• Corporate/other CEO addresses</li> <li>• Peer to Peer roundtables</li> <li>• Leadership development programs</li> </ul>
International Lectern	Keep informed about international developments and opportunities	<ul style="list-style-type: none"> <li>• Visiting international speakers</li> <li>• National/regional briefings</li> <li>• Trade and investment policy</li> </ul>
Economic and Industry Updates	Hear expert commentary on economic and industry trends	<ul style="list-style-type: none"> <li>• Economic updates and forecasts</li> <li>• Industry sector briefings</li> <li>• Major projects</li> </ul>
Government Business Relations	Develop links and understanding between government, opposition and business	<ul style="list-style-type: none"> <li>• 'Inside Canberra' meetings</li> <li>• Federal Minister/Shadow briefings</li> <li>• State Government 'Connection'</li> </ul>



PRIME MINISTER JOHN HOWARD ADDRESSED CEDA SYDNEY IN NOVEMBER 2002.

**A highlight of the CEDA year was a significant address by the Prime Minister which outlined a strategic policy framework for the Government's long-term objectives.**

### **Public Policy**

A highlight of the CEDA year was a significant address by the Prime Minister that outlined a strategic policy framework for the Government's long-term objectives. The key strategic policy areas identified for a whole of government approach were:

- National security and defence
- Balancing work and family
- Demographic change, and ageing
- Science and innovation
- Education, including the Higher Education Review
- Sustainable environment, water being top priority
- Energy and long-term policy
- Rural and regional affairs
- Transport – land and rail.

The Governor of the Reserve Bank, Ian Macfarlane, used his address at CEDA's Annual Dinner to underline the remarkable performance of the Australian economy in the face of international uncertainty and domestic drought.

CEDA reflected the global uncertainty theme in its federal budget night activities around Australia. Apart from the customary high quality analysis of budget options and decisions, CEDA's keynote speakers were asked to provide their analysis in the context of high risk and uncertainty.

### **Business Best Practice**

In addition to the many public policy addresses during the year, CEDA established a new program segment dealing with business best practice. For example, Henry Bosch AO facilitated a lively series of panel discussions on corporate governance, which generated high-level audience participation.

Other topics were broad ranging and included a series on IT outsourcing, supply chain management, environmental management and HR issues.

### **International Lectern**

CEDA welcomed a number of international visiting business and political leaders to its international lectern during 2002–03, and highlighted forecasts on the economic and political consequences of the war in Iraq.

From a policy perspective, the negotiations of the potential Australian US Free Trade Agreement received close attention. While CEDA audiences across Australia discussed the options, CEDA mounted a National Conference in Adelaide to hear from Minister Vaile and a number of other keynote speakers.

### **Economic and Industry Updates**

As usual, CEDA launched 2003 with its comprehensive Economic and Political Overview conferences across Australia, this year sponsored by Promina. Panels of economic and political commentators gave their analysis of the year ahead, with other keynote business speakers and Federal and State Ministers identifying some of the year's critical issues.

During the year, CEDA delivered regular economic briefings, as well as industry specific analysis such as an address by Ziggy Switkowski, CEO Telstra, on future trends in telecommunications.



RESERVE BANK GOVERNOR IAN MACFARLANE GAVE A KEYNOTE ADDRESS TO CEDA'S 2002 AGM DINNER IN MELBOURNE.

### Government

CEDA's 'State of the Nation' conference in June, sponsored by Woodside, continued to provide a unique opportunity to hear from an array of Government ministers, department heads, Opposition speakers and other Canberra leaders, about critical national issues, all over a busy two-day period. CEDA also initiated an 'Inside Canberra' series of private Canberra dinners for CEDA Trustees, the first being with the then Secretary of the Department of Prime Minister, Max Moore-Wilton.

Around the country, state and Commonwealth Ministers regularly addressed CEDA. Also, a series of state based forums, such as the Ernst & Young Spring Street Connection, provided excellent opportunities to meet regularly with senior state ministers and department heads.

### Leadership

CEDA's 'Leaders of Today and Tomorrow' sponsored by Baker & McKenzie, and the 'Next Generation' series sponsored by Minter Ellison, both received strong support from members, with the focus on the career experiences of current successful leaders.

A new program introduced by CEDA, 'The Copland Program' is a one-year program of monthly activities for emerging leaders. Its focus is external stakeholders, and each month members of the program meet and debate with leaders from a different stakeholder group to broaden their understanding of different perspectives on contemporary issues.

Michael Chaney, CEO, Wesfarmers, was one of a number of corporate CEOs who developed CEDA's leadership theme. He focused on the critical issues for Wesfarmers, being staff motivation and performance culture, managing through uncertainty and dealing with expectations.



LAURA TINGLE, *AUSTRALIAN FINANCIAL REVIEW*, ADDRESSED CEDA'S STATE OF THE NATION CONFERENCE IN JUNE.

**A new program introduced by CEDA, 'The Copland Program' is a one-year program of monthly activities for emerging leaders.**



PHIL RUTHVEN,  
CHAIR OF RESEARCH COMMITTEE

The quality and independence of the research program has earned CEDA's reputation as Australia's most highly respected business and economic policy think tank.

## policy and research

### 2002 | 2003 HIGHLIGHTS

Launch of CEDA report 'Privatisation:  
A Review of the Australian Experience'

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Initiation of three new CEDA research projects on  
innovation, ageing and national water policy

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Commencement of two new Australian Research  
Council Industry Linkage projects on regional  
dimensions of ageing and transitional labour markets.

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CEDA White Paper released February 2003

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'Beyond the Boundaries' report on regional  
development launched.

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The research and policy program is a vital component of CEDA's mission to promote informed discussion and independent debate on issues of national economic and social importance. CEDA research is undertaken by independent experts, often in partnership with universities or member companies. The quality and independence of the research program has earned CEDA's reputation as Australia's most highly respected business and economic policy think tank.

In January 2003, CEDA implemented a public policy framework reflecting the strategic priorities of CEDA Trustees for Australia's economic and social development. The Public Policy Framework comprises six broad themes:

- Intergenerational change
- Globalisation
- Productivity growth drivers
- Infrastructure reform and development
- Sustainable development
- Government effectiveness

CEDA's Public Policy Framework is outlined in detail in the accompanying table. Existing research projects have been placed within this framework. In addition a number of new projects, closely matching CEDA's public policy priorities, were initiated in 2003.

## CEDA PUBLIC POLICY FRAMEWORK

Broad Theme	Priority Issues
Intergenerational Change	Population, impacts of ageing, immigration Outlook for economic growth Labour force growth and participation rates Commonwealth fiscal projections and service demand implications Savings and retirement incomes
Globalisation	Branch economy issues Internationally competitive tax policies New industries: outlook and policies Enhancing engagement with Asia Free Trade Agreements, regional blocs and WTO negotiating round
Productivity Growth Drivers	Competition policy Workplace reform Education, training and lifelong learning R&D, innovation Information technology and telecommunications Business practices and processes
Infrastructure Reform and Development	Land transport development plan and policy Transport funding options, road charging and congestion pricing Energy policy and market reform Energy demand, supply, price and reliability outlook Energy regulatory framework/harmonisation
Sustainable Development	Water reforms, property rights, entitlements, trading and pricing Greenhouse emission abatement Environmental protection and practices Ethical investments DIMA/CSIRO futures report
Government Effectiveness	Service delivery Regulatory best practice Privatisation and contracting out

## CEDA Policy Forums

### Regional Provision of Higher Education

In October 2002, CEDA convened a major forum on the Regional Provision of Higher Education attended by senior academic, government, industry and community representatives. A submission based on the proceedings of the Forum was sent to the Minister for Education, Science and Training, Dr Brendan Nelson as input into the Government's review of higher education.

### Tourism Industry

A roundtable on challenges confronting the tourism industry was held at CEDA in Melbourne in December 2002. Participants included CEDA Trustees and representatives of the tourism industry in Victoria. The special levy imposed on the tourism sector was identified as a major constraint on the development of the industry. Following the roundtable, CEDA commissioned Professor John Freebairn of the University of Melbourne, to examine

the role and impact of government levies in the context of the overall taxation system.

### Work and Family

CEDA hosted a special forum on work and family issues in November 2002 as part of the research project 'A New Social Settlement: Rethinking Social Policy Across the Life Course'. The aim of the roundtable was to provide business perspectives on approaches to family-friendly work practices.

### Affordable Housing

In partnership with the Brotherhood of St Laurence, CEDA hosted a roundtable discussion on private investment in the supply of affordable housing in February 2003. Participants included representatives from the finance, construction, development, government and welfare sectors. A Communiqué outlining the areas of agreement between participants was issued in March 2003.

Federal Treasurer Peter Costello has described the ageing of the population as perhaps the most significant, longer-term domestic policy challenge.

## research projects

### **CEDA Public Policy Theme: Intergenerational Change**

#### **Australia's ageing population: fiscal, labour market and social implications**

An examination of the implications of the ageing of Australia's population. Federal Treasurer Peter Costello has described the ageing of the population as perhaps the most significant, longer-term domestic policy challenge. This publication aims to broaden public discussion of the implications of, and potential policy responses to, this important issue.

#### **The impact of population ageing on Australia's states, territories and local communities**

Population ageing and its associated shift to zero population growth and/or natural decline is occurring at substantially different rates across and within Australia's states and territories. These trends have significant implications for the economic growth and socio-economic composition of each region. The project will investigate the impact of population ageing on economic welfare at state and territory level; and on the socio-demographic profile of local government regions in Tasmania.

#### **Social policy and transitional labour markets**

The project aims to contribute to debate on the future of the welfare state by investigating new institutional arrangements for dealing with structural changes in the labour market and household formation. The concept of key labour market transitions will be used to explore the dynamics of labour market experience over the life course for individuals and groups; and to propose new institutional arrangements that serve to manage risk and enhance social participation.

### **CEDA Policy Theme: Globalisation**

#### **Globalisation and the Australian economy**

A study of the accelerating economic interdependence between Australia's economy and the rest of the world. The project will survey changes in the composition and destination of imports and exports since the early 1990s, and will emphasise changes in the composition and direction of inward and outward financial flows.

#### **The economic implications of emigration from Australia**

The long-term and permanent migration of people out of Australia has increased substantially in recent years. At present little is known about the scale, composition and significance of that movement. This project will fill this gap through analysis of secondary data and surveys of the individuals involved. The economic, demographic and social characteristics of persons leaving Australia, on a permanent or long-term basis, will be analysed. Reasons for such movement will be identified and the economic effects for Australia will be assessed.

#### **Alleviating global poverty—best practices**

Directed by CEDA's United States counterpart, the Committee for Economic Development (CED), this project aims to identify best practice approaches to the alleviation of poverty in developing countries. Members of CEDA's counterpart network will contribute papers to a report that will recommend effective policy approaches by government and the business community for reducing global poverty.

#### **Impact of globalisation on Asia**

This project will examine the impact of globalisation on the Asian region. Based on contributions from CEDA's Asian counterparts network, ARIACO, and other researchers, a report will be produced examining dimensions of the globalisation process occurring in Asian nations.

### **Impact of global movements**

This project will examine the impact of global movements, including the diffusion of people, resources and ideas on economic and social development. Members of CEDA's international counterparts network will contribute chapters to a publication on aspects of global movements to be released in 2004. Topics to be covered include international labour flows, capital market liberalisation, the global movement of services and the spread of global culture.

### **APEC firms investing and operating in China and Australia**

An examination of the investment decisions and operations of APEC firms doing business in China and Australia with particular emphasis on assessing the benefits of investment by multinational enterprises.

### **CEDA Public Policy Theme: Productivity Growth Drivers**

#### **The impact of enterprise and workplace-focused industrial relations on employee attitudes and enterprise performance**

Over the last decade there has been a strong trend towards enterprise and workplace-focused industrial relations in Australia. This project examines the extent to which this trend has affected employee attitudes and bottom-line enterprise performance.

### **Innovating Australia**

This project, to be published as part of CEDA's Growth series, will examine new sources of productivity growth. The report will explore the need for a new phase in national economic strategy aimed at enhancing the global competitiveness of Australian firms in the context of the knowledge economy. The publication will contain papers on business strategy, innovation and the role of public policy in enhancing competitive capability.

### **Changing work arrangements and job quality in Australia**

An investigation into whether factors such as technological change, globalisation, microeconomic reform and changes to industrial relations have caused fundamental changes to the nature of the workplace. The project aims to develop evidence on the extent and causes of such changes by studying the transformation of work arrangements in Australia during the 1980s and 1990s. Particular emphasis will be placed on trends in working hours.

### **Management expectations of the role of human resource professionals**

Conducted in partnership with the Australian Human Resources Institute (AHRI) this project will study whether current human resource management competencies meet the expectations of senior management. The project comprises three stages: a survey of HR courses offered by Australian tertiary institutions; focus group interviews with senior HR

practitioners and a survey of CEOs' expectations of HR managers.

### **A review of Work for the Dole as a labour market program**

The aim of this project is to provide an independent review of the Work for the Dole program in terms of its formal objective (to install work habits in young people) and in the wider context of giving young unemployed people the skills and confidence that will increase their chances of finding employment. Recommendations for improving the program will be developed in light of the findings.

### **CEDA Public Policy Theme: Sustainable Development**

#### **Water and the Australian economy**

To be published as a volume of CEDA's Growth series in 2004, this project will examine aspects of a national water strategy for Australia. Topics to be covered will include: COAG water policy initiatives; the business impact of water reform; trading water rights; environmental flows; technology and sustainability; the urban water cycle; future water resources and institutional and regulatory arrangements.

The 'Innovating Australia' report will explore the need for a new phase in national economic strategy.

### **Partnering sustainable regional development: Indigenous community organisations and miners**

The project will identify how Indigenous community organisations in regional Australia can better develop capacity to maximise the long-term benefits of nearby long-life mines. The key roles of mining companies, government and other stakeholders, as well as Indigenous organisations, in maintaining social capital within communities experiencing development strain associated with economic, social and environmental impacts of mining will be investigated.

The international counterpart network is an important resource for CEDA members, enabling Trustees to meet with their international peers in an exciting and productive global environment.

## international activity

CEDA has close links with independent, public policy-oriented research organisations around the world. These organisations, comprising business leaders, senior academics and government policy advisers, meet on an annual basis to discuss issues of national, regional and global significance.

Counterpart organisations also collaborate on specific projects, on both bilateral and multilateral bases, and regularly exchange research material. The international counterpart network is an important resource for CEDA members, enabling Trustees to meet with their international peers in an exciting and productive global environment.

### CEDA's international counterpart network

**Belgium** Belgian Enterprise Foundation

**Finland** Centre for Finnish Business and Policy Studies

**France** Institut de L'Entreprise

**Germany** Institut der Deutschen Wirtschaft Köln

**Japan** Keizai Doyukai

**The Netherlands** SMO–Society and Enterprise Foundation

**Portugal** Forum de Administradores de Empresas

**Spain** Circulo de Empresarios

**Sweden** SNS–Center for Business and Policy Studies

**United States** Committee for Economic Development



## ARIACO Network

The Asian Region International Association of Cooperating Organisations (ARIACO) was founded at an international conference hosted by CEDA in 1994. ARIACO aims to promote intra-regional cooperation for enhancing the continued growth and development of the Asia-Pacific region.

## ARIACO network members

China Association of Industrial Economics

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### China

Confederation of Indian Industry

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### India

Indonesia Forum

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### Indonesia

Korea Economic Research Institute

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### Republic of Korea

Asian Strategy and Leadership Institute

Institute of Strategic and International Studies

Malaysian Institute for Economic Research

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### Malaysia

Institute of Policy Studies

Asia 2000 Foundation

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### New Zealand

Makati Business Club

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### The Philippines

Centre for Business Research and Development

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### Singapore

Institute of Policy Studies

The Thailand Development Research Institute

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### Thailand

## International research

Over the course of 2002–03, CEDA participated in several research projects based on the international counterpart network.

### Alleviating Global Poverty—Best Practices

Directed by CEDA's United States counterpart, the Committee for Economic Development (CED), this project aims to identify best practice approaches to the alleviation of poverty in developing countries. Members of CEDA's counterpart network are contributing papers to a report that will recommend effective policy approaches by government and the business community for reducing global poverty. The report will be launched at the November 2003 meeting of counterpart organisations in Amsterdam.

### Impact of Globalisation on Asia

The impact of globalisation on the Asian region is examined in this project. A book containing contributions from CEDA's Asian counterparts network, ARIACO, and other researchers, will be published in 2003 examining dimensions of the globalisation process in Asian nations.

## Impact of Global Movements

This project will examine the impact of global movements, including the diffusion of people, resources and ideas on economic and social development. Members of CEDA's international counterparts network are contributing chapters to a publication due to be released in 2004. Topics covered include international labour flows, capital market liberalisation, the global movement of services and the spread of global culture.

Work also progressed on another major international research project during 2002–03. Titled 'APEC Firms Investing and Operating in China and Australia', the project examined the characteristics and operations of multinational enterprises doing business in China and Australia, with particular emphasis on the practical problems of operating in competitive external environments. The first report of the project, 'Do Multinational Enterprises Benefit Australia?', was launched in August 2003.

## Australia/US Free Trade Agreement

The proposed Free Trade Agreement with the United States (USFTA) was discussed at a CEDA conference held in Adelaide in June 2003. Jointly hosted with the Institute for International Business, Economics and Law at the University of Adelaide, the 'New Horizons in Trade' conference provided a platform for debate about Australia's trading environment and prospects for further trade liberalisation. Speakers included Mark Vaile, Federal Minister for Trade; Michael Delaney, Economics Counsellor to the US Embassy; Gary Banks, Chairman, Productivity Commission and Professor Ross Garnaut, Australian National University.

The USFTA was a special theme of the April 2003 issue of CEDA's magazine *Australian Chief Executive*. The implications of the proposed agreement were examined by a panel of three authors: Andrew Stoler, formerly Deputy Director-General of the WTO, currently Executive Director, Institute for International Business, Economics and Law, University of Adelaide; Geoff Brown, Executive Director, Screen Producers Association of Australia and Dr Clive Hamilton, Australian National University.

## World Competitiveness Report

The 2003 issue of the World Competitiveness Report, produced by IMD in Switzerland, was released in May 2003. CEDA members are the sole Australian contributors to the report, which ranked Australia as the second most competitive large economy after the United States.

The 'Alleviating Global Poverty' project aims to identify best practice approaches to the alleviation of poverty in developing countries.



DON MCKENZIE  
NSW STATE PRESIDENT

# new south wales

## State Committee and Membership

The NSW Committee had a busy year under the leadership of State President, Don McKenzie, Group Executive Officer, Gadens Lawyers. The program included new member functions featuring business personalities and guest speakers, to welcome a large group of new Trustees to CEDA.

The Trustee Boardroom Meetings continued to attract strong interest from Trustees, and prominent speakers including Ian Johnstone (ASIC), John Brogden (NSW Liberal Party Leader), and Gary Sturgess (Serco Institute, UK). These meetings reinforced CEDA's capacity to attract prominent leaders to network and debate issues under Chatham House rules.

## Conference Program

CEDA NSW provided a platform for some outstanding addresses from leaders drawn from politics, business, academia and the community sector.

- A broad range of Federal Government ministers addressed CEDA with the highlight being the Prime Minister's launch of his Government's long-term strategic policy agenda. Other notable political addresses included Minister Alston on ICT and the new economy, Minister Minchin on the economics of an ageing population, Minister Abbott on public liability, and NSW Treasurer, Michael Egan on the State's budgetary priorities.
- David Morgan, CEO, Westpac, focused on one of CEDA's priority public policy themes, the impact of an ageing population, in a challenging address to the business community on the case for increased corporate social responsibility.
- Energy, biotechnology, information technology, and financial services were just some of the industry sectors covered during the year, along with presentations from a wide range of business leaders including Wal King, Helen Lynch and Greg Martin.

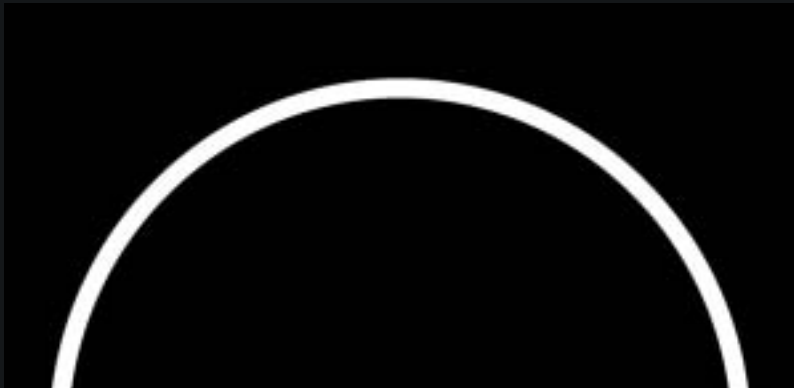
## Business Best Practice

- A number of addresses dealt with challenging contemporary issues for business management, including a high quality series on outsourcing.

## Leadership

- Programs, such as the Baker and McKenzie supported 'Leaders of Today and Tomorrow', gave members an opportunity to hear from successful leaders such as Imelda Roche and learn from their successes and mistakes.
- Addresses from business leaders such as Michael Chaney and Roger Corbett highlighted the key leadership issues within their companies and industries.

**CEDA NSW provided a platform for some outstanding addresses from leaders drawn from politics, business, academia and the community sector.**



KERRY HERRON  
QLD STATE PRESIDENT

# queensland

## State Committee and Membership

Kerry Herron, Executive Chairman, Herron Todd White Australia, CEDA's Queensland President, and Rod Besley, Managing Partner, Hogan Besley Boyd, Queensland Deputy President, provided strong leadership and support to CEDA during the year, with the appointment of a new State Director. The Committee was very active in arranging for an important research report to be completed, 'Beyond the Boundaries: The Contribution of Regions to Queensland's Economic Development'.

Trustees were involved in a wide range of private boardroom briefings during the year, including Phil Ruthven, Chairman, IBISWorld and Craig Emmerson, Shadow Industry Minister.

## Conference Program

The Queensland Conference Program focused on a small number of high quality events targeted at important areas of member interest.

### Public Policy

- Sponsored by Ernst & Young, the Federal Budget Night provided an opportunity for speakers, including Dr John Edwards, Chief Economist HSBC, to explore the impact of new budget measures for business and the economy generally.
- Mark Patterson, Secretary, Department of Industry, Tourism and Resources discussed the strategic direction of policy in his sectors, and the priority policy issues.
- Michael Delaney, Economics Counsellor to the US Embassy, described the benefits and challenges of the proposed Australia-US Free Trade Agreement.
- Gary Banks, Chair of the Productivity Commission, challenged State Governments to stop the interstate bidding war for investments — a challenge that has since been taken up by all states outside Queensland.

### Economic and Industry Update

- CEDA's Annual Economic and Political Overview provided a strategic analysis of some of the key economic and political trends during the coming year, and the potential business impacts.
- A number of presentations focused on important industry sectors for the state, including energy and the knowledge economy.
- Robert Gottlieb discussed his snapshots of the recent world leaders forum in Davos, together with implications for Australia.

### Business Best Practice

- In the aftermath of the 'tech wreck', John Rimmer, CEO of the National Office of the Information Economy, underlined the continued importance of ICT for Australian business success, and discussed opportunities to maximise benefits.

### Leadership

- Karen Marley from Mount Eliza Business School led a lively discussion on the quality of leadership provided by Australian managers.

**Michael Delaney, Economics Counsellor to the US Embassy, described the benefits and challenges of the proposed Australia-US Free Trade Agreement.**



MIKE TERLET AO  
SA STATE PRESIDENT

# south australia

## State Committee and Membership

Led by State President Mike Terlet AO, Economic Development Director, United Water International, the Committee focused on the future economic direction for South Australia, commencing with a major forum with the Chairman of the State Economic Development Board, Robert Champion de Crespigny, AC.

There were eleven private Boardroom briefings of CEDA Trustees, including a year opening event at Workcover addressed by Premier Rann. An expanded Trustee-only forum format was introduced and proved particularly successful.

## Conference Program

### Policy

- CEDA continued its focus on the State's economic future with a 'State of the State' series, sponsored by IBM. Significant issues for the State were addressed by business leaders including Tom Phillips, CEO of Mitsubishi Motors, on the automotive industry, and Phillip Bullock, CEO and Managing Director, IBM Australia/New Zealand, on new technology.
- A highlight of the year was an International Trade Forum held in conjunction with the University of Adelaide's Institute for International Business, Economics and Law. Addressed by ten national figures, including Trade Minister Mark Vaile, the Forum's main focus was the proposed Australia-US Free Trade Agreement.
- The Economic and Political Overview Conference included a keynote address on the international environment by Foreign Minister Alexander Downer, and an economic and political outlook from Saul Eslake, Chief Economist of the ANZ Bank, Terry McCrann of the *Herald Sun* and Professor Dean Jaensch, Flinders University.

### Business Best Practice

- Workplace practices were addressed by Robert Critchley of DBM in challenging Trustees to think differently about older employees, and by Pru Goward, Federal Sex Discrimination Commissioner, who made a case to increase female workforce participation.
- A panel including Stephen Gerlach, Chair of Santos, led discussion on Corporate Governance. The issue was also later linked to Public and Professional Liability Insurance in a forum led by a range of speakers including Deputy Premier Kevin Foley.

### Leadership

- The Minter Ellison 'Leaders of Tomorrow' Program continued to expose young executives to a range of topics and issues outside their normal work experience.
- David Morgan, CEO of Westpac, challenged business leaders to show leadership and to take substantive action to build trust between business and the community.

A highlight of the year was an International Trade Forum held in conjunction with the University of Adelaide's Institute for International Business, Economics and Law.



JEFF FLOYD  
VICTORIAN STATE PRESIDENT

# victoria

## State Committee and Membership

The Committee, chaired by State President Jeff Floyd, Chief Executive Officer, Australian Motoring Services Pty Ltd, established task forces to advise on pilot initiatives in Victoria, particularly in leadership development.

CEDA Trustees participated in an active program of Boardroom briefings and industry specific roundtables, including tourism and higher education reform. The prestigious CEDA Club also continued to be well supported by Trustees, with monthly dinners providing a relaxed and informal environment in which to hear from a range of high-profile guests.

## Conference Program

A diverse program was presented including industry and issue specific series, the new format interactive 'New Century' series, keynote addresses, and member hosted programs such as the PricewaterhouseCoopers economic briefings.

### Public Policy

- Public policy issues addressed during the year included water and the environment, the ageing population, infrastructure planning, industrial relations, innovation, trade regulations, energy and many others.
- Among a series of industry leaders speaking about their specific industries, Dr Ziggy Switkowski, CEO, Telstra, provided an overview of key future challenges in the telecommunications sector. Geoff Polites, President, Ford, and Peter Hanenberger, Chairman and Managing Director, General Motors Holden, addressed different issues facing the car industry.
- CEDA met with Federal Government ministers and the Opposition on a number of occasions during the year, including an address by Minister Brendan Nelson on the Higher Education Review to a mixed audience of business and academics.
- Key regulators such as Alan Fels and Graeme Samuel were, as usual, provocative but well received.
- CEDA's Spring Street Connection continued to provide an excellent forum for business interchange with the State Government.

- Outstanding economic analysis was provided in addresses from Ian Macfarlane, Governor of the Reserve Bank; Maurice Newman, Chairman of the Stock Exchange and Phil Ruthven, Executive Chairman, IBISWorld, in addition to regular economic updates provided by ANZ's Saul Eslake and others.

### Best Practice

- Paul Little, Managing Director of Toll Holdings, addressed a crowded CEDA room on electronic commerce applications of supply chain management, in one of a range of presentations on aspects of business best practice.
- A highlight during the year was a series of panel discussions on aspects of corporate governance best practice. Henry Bosch facilitated high profile panels of public company directors, including Dick Warburton, Charles Allen and Michael Andrew and other experts, with contributions from equally qualified audiences.

### Leadership

- CEDA's 'Leaders of Today and Tomorrow' series was supplemented by the launch of the 'Copland Program', a new program designed for emerging leaders.
- Nobel Prize winner, Peter Doherty challenged business and political leaders to raise the priority given to science, and education in general, in Australia.

**Outstanding economic analysis was provided in an address from Ian Macfarlane, Governor of the Reserve Bank.**



TERRY AGNEW  
WA STATE PRESIDENT

# western australia

## State Committees and Membership

Terry Agnew, Group Chief Executive, RAC Group, stood down as WA President at the end of the financial year to be replaced by John Poulsen, Partner, Minter Ellison WA. John also joined the CEDA Board during the year, to provide representation for WA following Ruth Harrison's move to Melbourne to become General Manager of the Melbourne Hilton.

There was a steady growth in CEDA membership in Western Australia. A highlight of activity continued to be the popular Boardroom briefings, reserved for member Trustees only.

## Conference Program

A broad-ranging conference program was conducted, reflecting CEDA's core directions, as well as local Western Australian priorities. Some of the highlights follow.

### Public Policy

- Graeme Samuel, Chair of the National Competition Council, in one of his last addresses in the role, explained the key influences that competition policy had played in maintaining high rates of productivity growth in Australia.
- The Federal Budget Night, sponsored by Ernst & Young, provided an opportunity to discuss in detail highlights from the Budget, as well as opportunities for future action.

### Government

- As usual, CEDA provided a range of opportunities to meet with ministers from state and federal governments and opposition leaders.
- Ian Macfarlane, Federal Industry and Resources Minister, provided an update on policy priorities for the industry and resources sectors.

### Leadership

- The 'Next Generation' Series sponsored by Minter Ellison, continued to provide insights into the career experiences and personal goals of an array of outstanding leaders, from Michael Chaney, MD, Wesfarmers, and David Morgan, CEO, Westpac, to Fiona Wood, Reconstructive and Plastic Surgeon for many Bali bomb victims.

### Economic and Industry Update

- CEDA's Economic and Political Overview was the first event of the calendar year, providing a range of perspectives on the year ahead, with both an economic and a political focus. Reserve Bank Deputy Governor, Glenn Stevens discussed the likely impact of sluggish global growth on the Australian economy.
- Of the many industry updates, the review by Mike Wilkins, MD, Royal and Sun Alliance (now Promina), provided the most popular and timely update, with strong interest in premium trends and insurance coverage availability.

A highlight of activity continued to be the popular Boardroom briefings, reserved for member Trustees only.



RONALD BANKS  
TAS STATE PRESIDENT

## tasmania

### **CEDA continued to provide a small but interesting program for Tasmanian members**

- The year commenced with the Economic and Political Overview, with addresses from a range of speakers on the outlook for the year, including Dr David Crean, Treasurer of Tasmania.
- A panel including Dr Bruce Felmingham, University of Tasmania and Tim Maddock, Partner, Deloitte Touche Tohmatsu provided an analysis of the 2003 Federal Budget.
- Richard McCreddie, Tasmania's Police Commissioner, addressed CEDA on fraud and white collar crime.
- Saul Eslake, Chief Economist, ANZ, gave another highly professional economic update.

## sponsors & national memberships

**CEDA wishes to thank its major sponsors and national members who have provided support for its research and conference activities during 2002–03.**

Access Communications  
ACTEW Corporation  
Air International Pty Ltd  
Allens Arthur Robinson  
ANA Harbour Grand Hotel  
Australia and New Zealand  
Banking Group  
Australian Stock Exchange Limited  
Baker & McKenzie  
Baulderstone Hornibrook  
BMW Group Australia  
Bombardier Transportation  
Australia Pty Ltd  
City West Water  
Commonwealth Department of  
Transport & Regional Services  
CSC Australia Pty Ltd  
DBM Australia Limited  
Deacons

Deloitte Touche Tohmatsu  
Department of Infrastructure, Victoria  
Department of Innovation, Industry and  
Regional Development, Victoria  
EDS (Aust) Pty Ltd  
Ernst & Young  
Hall & Willcox  
Hewlett-Packard Australia Limited  
IBM Australia Limited  
JBWere Limited  
KBR  
KPMG  
Malaysia Airlines  
Mallesons Stephen Jaques  
Meinhardt (Vic) Pty Ltd  
Melbourne Port Corporation  
Melbourne Water  
Mercer Human Resource Consulting  
Minter Ellison

NSW Treasury Corporation  
Philip Morris  
PricewaterhouseCoopers  
Qantas Airways Limited  
RACV  
Royal & Sun Alliance Insurance Australia Ltd  
South East Water  
TAFE-NSW  
Telstra Corporation Limited  
The Chamber of Minerals and Energy of  
Western Australia Inc  
Toyota  
Tower Australia Limited  
Veritas Software Pty Ltd  
Westpac Banking Corporation  
Yarra Valley Water  
Woodside Energy Ltd  
WorkCover Corporation

# concise financial report

## Overview

During the year, a number of initiatives focusing on mitigating costs, while increasing the level and value of service to members, were successfully implemented. This gave impetus to a positive turnaround across all financial indicators, as set out below. While a challenging environment remains ahead, CEDA remains confident of sustaining and building on this turnaround with a view to rapidly re-establishing an operating surplus.

## Consolidated Statement of Financial Performance

- An operating deficit of \$192,409 was recorded, which was a significant improvement on the deficit of \$378,969 recorded the previous year.
- Revenue was \$3,768,084, an increase of 8.5 per cent on the previous year (\$3,472,006). The key factors in revenue growth were the strong performance in conference activities and increased sponsorship income.

- Expenses were tightly controlled and increased by only 2.8 per cent to \$3,960,484 from the previous year (\$3,850,032).
- The strong cash flows enabled CEDA to have nil borrowings during the year and consolidate its cash reserves.

## Consolidated Statement of Financial Position

- Total Members' Funds fell by 15% to \$1,109,007. The decrease was wholly attributable to the \$192,409 loss for the year.
- Total assets decreased during the year by 10% to \$1,852,152, mainly reflected by a decrease in the cash balances attributable to the loss for the year.
- Total liabilities decreased by 3% during the year to \$743,145.

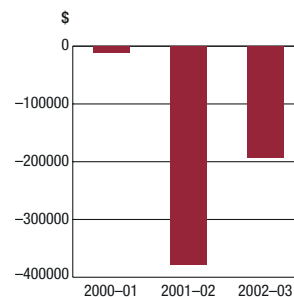
## Consolidated Statement of Cash Flows

- The balance of cash held at the reporting date declined by 13% to \$1,244,992.

## OPERATING RESULT

YEAR	OPERATING SURPLUS/ DEFICIT \$
2000-2001	(10,615)
2001-2002	(378,969)
2002-2003	(192,409)

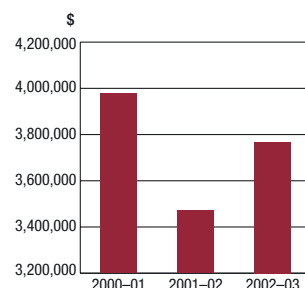
The operating deficit was halved due to the tight control of expenses and healthy increase in revenue.



## TOTAL REVENUE

YEAR	REVENUE \$
2000-2001	3,977,000
2001-2002	3,472,006
2002-2003	3,768,084

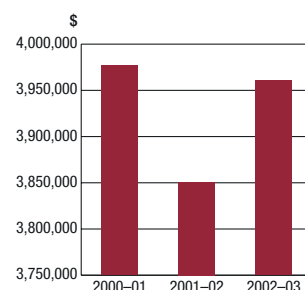
Total revenue was up 8.5% on the previous year.



## TOTAL EXPENDITURE

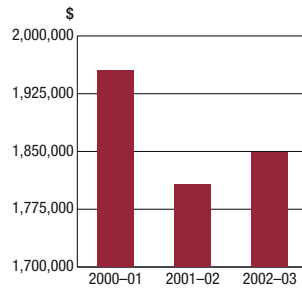
YEAR	EXPENDITURE \$
2000-2001	3,984,906
2001-2002	3,850,975
2002-2003	3,960,484

Expenses were tightly controlled and increased only 2.8% on the previous year.



### CORPORATE SUBSCRIPTIONS

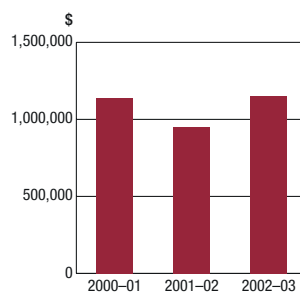
YEAR	SUBSCRIPTIONS \$
2000-2001	1,954,958
2001-2002	1,807,150
2002-2003	1,848,790



Corporate subscriptions were up a modest 2% on the previous year.

### CONFERENCE REGISTRATION

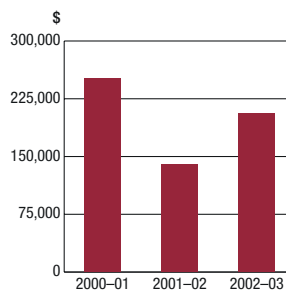
YEAR	REGISTRATION \$
2000-2001	1,136,806
2001-2002	953,374
2002-2003	1,154,150



Reflecting the strong attendance at CEDA's conference activities, registration fees were up 21% on the previous year.

### SPONSORSHIP INCOME (CONFERENCES)

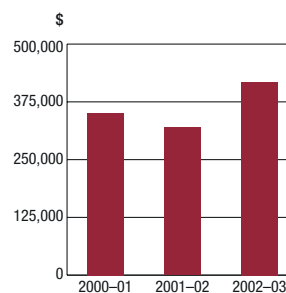
YEAR	SPONSORSHIP INCOME \$
2000-2001	251,147
2001-2002	139,458
2002-2003	205,636



Sponsorship income, as part of CEDA's conference programs, increased 47% on the previous year.

### RESEARCH INCOME (CONTRIBUTIONS & SPONSORSHIPS)

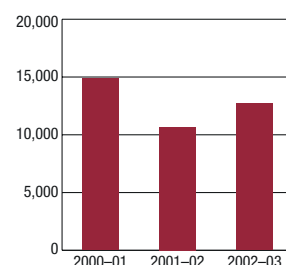
YEAR	RESEARCH INCOME \$
2000-2001	350,560
2001-2002	319,879
2002-2003	417,870



Research income increased an impressive 31% on the previous year.

### TOTAL ATTENDANCE (PUBLIC EDUCATION MEETINGS & FUNCTIONS)

YEAR	ATTENDANCE
2000-2001	14,868
2001-2002	10,669
2002-2003	12,720



During the year, there was a 19% increase in attendance and involvement in CEDA activities.



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2003

	NOTE	2003 \$	2002 \$
<b>Revenues and Expenses</b>			
Revenues from ordinary activities	11	3,768,084	3,472,006
Expenses from ordinary activities		(3,960,484)	(3,850,032)
Borrowing costs expense	9 (a)	(9)	(943)
<b>Surplus (deficit) from ordinary activities</b>	12	<b>(192,409)</b>	<b>(378,969)</b>

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30TH JUNE 2003

	NOTE	2003 \$	2002 \$
<b>Current Assets</b>			
Cash Assets	2	1,244,992	1,436,435
Receivables	3	239,612	246,888
Prepayments		88,786	73,815
<b>Total Current Assets</b>		<b>1,573,390</b>	<b>1,757,138</b>
<b>Non Current Assets</b>			
Plant and Equipment, Leasehold Improvements	4	278,762	306,817
<b>Total Non-Current Assets</b>		<b>278,762</b>	<b>306,817</b>
<b>TOTAL ASSETS</b>		<b>1,852,152</b>	<b>2,063,955</b>
<b>Current Liabilities</b>			
Payables	5	387,788	401,073
Provisions	6	125,042	134,117
Subscriptions and Income in Advance	7	230,315	213,691
<b>Total Current Liabilities</b>		<b>743,145</b>	<b>748,881</b>
<b>Non-Current Liabilities</b>			
Provisions	6	-	13,658
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>13,658</b>
<b>TOTAL LIABILITIES</b>		<b>743,145</b>	<b>762,539</b>
<b>NET ASSETS</b>		<b>1,109,007</b>	<b>1,301,416</b>
<b>Members' Funds</b>			
Retained Surplus	12	285,957	478,366
Reserves	10	823,050	823,050
<b>TOTAL MEMBERS' FUNDS</b>		<b>1,109,007</b>	<b>1,301,416</b>
Capital and Leasing Commitments	8		

## STATEMENT OF CASH FLOWS

	NOTE	2003 \$	2002 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts from operations</b>			
Subscriptions		1,909,662	1,739,293
Research and related conferences and briefings		1,826,197	1,621,926
Payment to suppliers and employees		(3,921,665)	(3,515,468)
Interest Received		47,117	58,346
Borrowing Costs		(9)	(943)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	14 (b)	<b>(138,698)</b>	<b>(96,846)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant and equipment		(52,745)	(24,088)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<b>(52,745)</b>	<b>(24,088)</b>
Net Increase (decrease) in cash held		(191,443)	(120,934)
Cash at beginning of year	14 (a)	1,436,435	1,557,369
<b>CASH AT END OF YEAR</b>	14 (a)	<b>1,244,992</b>	<b>1,436,435</b>

The above statements pertaining to financial performance, financial position and cashflows should be read in conjunction with the accompanying notes and full financial report for year ended 30 June 2003, which can be accessed from the CEDA website.

## **INDEPENDENT AUDIT REPORT**

### **To the Members of COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA**

#### **SCOPE**

I have audited the financial report, being the Directors' Declaration and Report, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements of Committee for Economic Development of Australia for the year ended 30th June, 2003. The Company's directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the Company's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### **AUDIT OPINION**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the Committee for Economic Development of Australia as at 30th June 2003 and the results of its operations and its cash flows for the year then ended.

Signed at Melbourne the 20th day of August, 2003



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TERRY J REEVE, CPA

PARTNER

TURVILLE REEVE & ASSOCIATES

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