committee for economic development of australia

# Annual Financial Report

## for the year ended 30 June 2024

**Committee for Economic Development of Australia**

ABN 49 008 600 922

committee for economic development of australia

## Contents

# Directors' Report

Your Directors have pleasure in presenting their report on the Company for the financial year ended 30 June 2024.

Directors

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

Diane Smith-Gander AO, Chair
Professor Robert Breunig
Paddy Carney (commenced July 2024)
Dharma Chandran
Professor Carolyn Evans (commenced August 2023)
Justin Jamieson (commenced February 2024)
Ming Long AM
Joanne Masters (ceased February 2024)
Megan Motto (ceased November 2023)
Sam Nickless (commenced November 2023)
Dr. Pradeep Philip
Rowan Roberts (ceased August 2023)
Dr. Vanessa Torres
Richard Yetsenga (commenced February 2024)
Melinda Cilento, CEO

Company Secretary

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

Sharon Smyth, Chief Operations Officer

Principal Activities

The Company is an independent, apolitical, member organisation, whose membership is drawn from the business, government, community and education sectors. The Company undertakes research and promotes discussion and debate on the issues affecting Australia's economic and social development. There were no significant changes in the state of affairs of the Company during the year.

Short-term and Long-term Objectives

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

# Directors' Report (continued)

Information on Directors:

| | |
|---|---|
| Diane Smith-Gander AO | - Chair, CEDA<br>- Chair, HBF Health Limited<br>- Chair, Perenti (commenced October 2023)<br>- Chair, DDH1 Group of Companies (ceased October 2023)<br>- Chair, UWA Business School Advisory Board<br>- Chair, Zip Co Limited<br>- Director, DSG Advisory Pty Ltd<br>- Adjunct Professor, Corporate Governance, University of Western Australia<br>- Member, Fundraising committee, WA Parks Foundation<br>- Member, AICD Climate Governance Institute Advisory Committee |
| Prof. Robert Breunig | - Director, Tax and Transfer Policy Institute (Australian National University)<br>- Member, BEST Advisory Board, QUT.<br>- Elected Member, Unisuper Consultative Committee<br>- Member, Economic Inclusion Advisory Committee |
| Paddy Carney | - Director, PwC International Limited<br>- Director and Chair, Risk Oversight Committee at Redlands School<br>- Partner, PwC Australia |
| Dharmendra Chandran | - Chief People Officer, Toll Group (commenced April 2024)<br>- Chief People Officer, Australian Broadcasting Corporation (ceased February 2024)<br>- Director, 7 Eleven Australia Pty Ltd (ceased March 2024)<br>- Director, Macmahon Holdings (commenced February 2024)<br>- Director, TripleTee Pty Ltd ATF Chandran Family Trust<br>- Director, TripleTee Capital Pty Ltd<br>- Director, Frog Trading Pty Ltd<br>- Director, Frog Property Pty Ltd ATF Frog Property Trust<br>- Director, Chandran Super Pty Ltd ATF Chandran Super Fund |
| Prof. Carolyn Evans | - Vice-Chancellor, Griffith University<br>- Director, Australian-American Fulbright Association<br>- Director, Universities Australia<br>- President, Australian Higher Education Industrial Association<br>- Donaghue-Evans Family Trust<br>- Donaghue-Evans Pty Ltd |
| Justin Jamieson | - Chairman of Partners, South Australia, KPMG Australia<br>- Deputy Chair and Board Member, South Australian Business Chamber<br>- Member, University of Adelaide Business School Advisory Board |
| Ming Long AM | - Chair, Diversity Council of Australia (ceased May 2024)<br>- Deputy Chair, CSIRO (commenced May 2024)<br>- Director, Telstra Group Limited<br>- Director QBE Insurance (Australia) Limited, QBE Lenders Mortgage Insurance Limited, QBE Insurance (International) Pty Limited<br>- Director IFM Holding Pty Limited, IFM Investors Pty Limited, IFM Investors (Nominees) Limited, IFM Fiduciary Pty Limited and IFM Fiduciary No 2 Pty Limited Member<br>- Member, AICD Climate Governance Initiative Steering Committee<br>- Member, ASIC Corporate Governance Consultative Committee<br>- Global Ambassador, Business Events Sydney |
| Joanne Masters | - Chief Economist, Barrenjoey<br>- Member, Australian Business Economists Executive Committee |
| Megan Motto | - CEO, Governance Institute of Australia<br>- Director, Standards Australia<br>- Director, Next Gen & Co<br>- Member, ASIC Corporate Governance Consultative Committee<br>- Member, ASX Business Committee<br>- Chair, ACCI's Data, Digital and Cyber Security Forum |

# Directors' Report (continued)

Information on Directors (continued):

| | | |
|---|---|---|
| Sam Nickless | - | CEO, Gilbert + Tobin |
| | - | Director, Gilbert + Tobin |
| | - | Director, LegalVision Australia |
| Dr. Pradeep Philip | - | Partner, Deloitte Access Economics |
| | - | Director, The Medtech Actuator (ceased February 2024) |
| | - | Member, Melbourne School of Governance Advisory Board, University of Melbourne |
| | - | Board Member, Melbourne Montessori School (ceased February 2024) |
| Rowan Roberts | - | Partner, KPMG Australia |
| Dr. Vanessa Torres | - | Chief Operating Officer, South32 |
| | - | Director, Foodbank Australia, WA (ceased 1 July 2024) |
| Richard Yetsenga | - | Group Chief Economist and Head of Research, ANZ Banking Group |
| | - | Member, Business Council of Australia Economic Policy Committee |
| | - | Member, 2035 Climate Initiative Steering Group, Centre for Policy Development |
| Melinda Cilento | - | CEO, Committee for Economic Development of Australia |
| | - | Deputy-Chair, Australian Unity |
| | - | Co-Chair, Reconciliation Australia |
| | - | Member, Australian Statistics Advisory Council (ASAC) |
| | - | Member, Ministerial Advisory Council on Skilled Migration (MACSM) |

# Directors' Report (continued)

<u>Meetings of Directors:</u>

**Directors' Meetings**

| | Number Attended | Number Eligible |
|---|---|---|
| Diane Smith-Gander AO | 4 | 4 |
| Prof. Robert Breunig | 3 | 4 |
| Paddy Carney | 0 | 0 |
| Dharmendra Chandran | 4 | 4 |
| Prof. Carolyn Evans | 3 | 4 |
| Justin Jamieson | 2 | 2 |
| Ming Long AM | 4 | 4 |
| Joanne Masters | 2 | 2 |
| Megan Motto | 1 | 2 |
| Sam Nickless | 2 | 2 |
| Dr. Pradeep Philip | 4 | 4 |
| Rowan Roberts | 0 | 0 |
| Dr. Vanessa Torres | 3 | 4 |
| Richard Yetsenga | 1 | 2 |
| Melinda Cilento | 4 | 4 |

<u>Contribution in winding up</u>

CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of winding up each member is liable for a sum not exceeding $500 towards meeting any outstanding obligations of the entity. At 30 June 2024, the collective liability of members was $251,000 (2023: $278,500).

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

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 25, and forms part of the directors' report.

Signed on 18 September 2024 in accordance with a Resolution of the Board of Directors.

Diane Smith-Gander AO
Chair

# Statement of Profit or Loss and Other Comprehensive Income

**For year ended 30 June 2024**

| | NOTE | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| Revenue and Income | 2 (a) | **9,340,217** | 8,802,907 |
| Depreciation and Amortisation Expense | | **(806,113)** | (874,915) |
| Employee Benefits Expense | | **(6,985,129)** | (6,167,669) |
| Research, Conferences and Briefings Expense | | **(2,306,922)** | (1,825,965) |
| IT Related Expenses | | **(664,430)** | (636,476) |
| Other Operating Expenses | | **(1,097,325)** | (958,629) |
| Total Operating Expenses | | **(11,859,919)** | (10,463,654) |
| Net Result from Operations | | **(2,519,702)** | (1,660,747) |
| Net Finance Income | 2 (b) | **623,448** | 655,461 |
| Other Income | 2 (c) | **13,596** | 5,307 |
| Total Comprehensive Income for the Year | | **(1,882,658)** | (999,979) |

*This statement should be read in conjunction with the notes to the financial statements.*

# Statement of Financial Position

**As at 30 June 2024**

| | NOTE | 2024 $ | 2023 $ |
|---|---|---|---|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 4 | **1,789,971** | 3,253,050 |
| Trade and Other Receivables | 5 | **397,041** | 277,479 |
| Other Financial Assets | 12 | **355,999** | 385,164 |
| Other Current Assets | | **327,077** | 243,754 |
| TOTAL CURRENT ASSETS | | **2,870,088** | 4,159,447 |
| NON CURRENT ASSETS | | | |
| Furniture, Equipment and Leasehold Improvements | 6 | **268,944** | 307,446 |
| Intangibles | 7 | **239,833** | 399,961 |
| Right of Use Assets | 11 | **956,614** | 957,529 |
| Other Financial Assets | 12 | **7,716,280** | 8,361,616 |
| TOTAL NON CURRENT ASSETS | | **9,181,671** | 10,026,552 |
| **TOTAL ASSETS** | | **12,051,759** | 14,185,999 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 8 | **655,335** | 765,165 |
| Lease Liabilities | 11 | **398,923** | 367,108 |
| Provisions | 9 | **469,845** | 415,522 |
| Contract Liabilities | 10 | **3,209,272** | 3,436,687 |
| TOTAL CURRENT LIABILITIES | | **4,733,375** | 4,984,482 |
| NON CURRENT LIABILITIES | | | |
| Lease Liabilities | 11 | **703,394** | 753,264 |
| Provisions | 9 | **197,898** | 148,504 |
| TOTAL NON CURRENT LIABILITIES | | **901,292** | 901,768 |
| **TOTAL LIABILITIES** | | **5,634,667** | 5,886,250 |
| **NET ASSETS** | | **6,417,092** | 8,299,749 |
| EQUITY | | | |
| Retained Earnings | | **117,092** | 499,749 |
| General Reserves | 15 | **6,300,000** | 7,800,000 |
| **TOTAL EQUITY** | | **6,417,092** | 8,299,749 |

*This statement should be read in conjunction with the notes to the financial statements.*

# Statement of Changes in Equity

**For year ended 30 June 2024**

| | Retained Earnings $ | General Reserves $ | Total Equity $ |
|---|---|---|---|
| Balance at 30 June 2022 | **799,728** | **8,500,000** | **9,299,728** |
| Total Comprehensive Income | **(999,979)** | **-** | **(999,979)** |
| Transfer Between Equity Components | 700,000 | (700,000) | - |
| Balance at 30 June 2023 | **499,749** | **7,800,000** | **8,299,749** |
| Total Comprehensive Income | (1,882,658) | - | (1,882,658) |
| Transfer Between Equity Components | 1,500,000 | (1,500,000) | - |
| Balance at 30 June 2024 | **117,091** | **6,300,000** | **6,417,091** |

*This statement should be read in conjunction with the notes to the financial statements.*

Committee for Economic Development of Australia

ABN 49 008 600 922

# Statement of Cash Flows

**For year ended 30 June 2024**

| | NOTE | 2024 $ | 2023 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Membership | | **4,232,918** | 4,815,432 |
| Events, Research and Education | | **4,751,680** | 4,348,302 |
| Payments to Suppliers & Employees | | **(11,063,061)** | (9,578,943) |
| Interest Paid | | **(73,646)** | (79,886) |
| Sundry Income | | **22,238** | 7,567 |
| **NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES** | **13(b)** | **(2,129,871)** | **(487,528)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of Equipment & Intangibles | | **(239,979)** | (67,608) |
| Acquisition of Investments | | **(1,062,566)** | (8,632,153) |
| Proceeds from Sale of Investments | | **1,939,129** | 9,684,670 |
| Interest Received | | **102,899** | 109,127 |
| Dividends Received | | **39,106** | 141,201 |
| Distributions Received | | **264,868** | 49,346 |
| Franking Credits Received in Cash | | **65,479** | 66,752 |
| Portfolio Management Fees | | **(57,500)** | (71,234) |
| **NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES** | | **1,051,436** | **1,280,101** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of Lease Liabilities | 11 | **(384,644)** | (344,064) |
| **NET CASH (USED IN) FINANCING ACTIVITIES** | | **(384,644)** | **(344,064)** |
| NET INCREASE / (DECREASE) IN CASH HELD | | **(1,463,079)** | **448,509** |
| CASH AT BEGINNING OF YEAR | 13(a) | **3,253,050** | 2,804,541 |
| **CASH AT END OF YEAR** | **4/13(a)** | **1,789,971** | 3,253,050 |

*This statement should be read in conjunction with the notes to the financial statements.*

# Notes to the Financial Statements

**For year ended 30 June 2024**

## Note 1 **STATEMENT OF MATERIAL ACCOUNTING POLICIES**

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

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

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

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

### Basis of Preparation

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

### New, Revised or Amending Accounting Standards and Interpretations Adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the amendments have had a significant impact on the financial performance and position of the Company.

In addition, the Company adopted AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosures of Accounting Policies: Tier 2 and Other Australian Accounting Standards* from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 1 Statement of material accounting policies (2023: Statement of significant accounting policies).

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

### Accounting Policies

#### a) Equipment, Leasehold Improvements

***Recognition and measurement***

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

Any gain or loss on disposal is recognised in profit or loss.

***Depreciation***

All equipment and leasehold improvements are depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The straight-line method of depreciation is used. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

| Class of Fixed Asset | Depreciation Rate |
|---|---|
| Furniture and Equipment | 20.0% |
| Computer and Associated Equipment | 33.3% |
| Leasehold Improvements | 14.3% - 50.0% |
| Estimated Make Good Costs | 14.3% - 50.0% |

### b) Leases

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

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

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

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

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

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

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

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

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

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

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

## c) Impairment of assets

### 1) Non-derivative financial assets

***Trade and other receivables***

Trade and other receivables are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts are written-off when the Company conducts its review and identifies uncollectible accounts. If an amount is recovered in a subsequent period it is recognised as revenue. The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimate cash flows discounted at the effective interest rate.

The Company has applied the simplified approach for trade and other receivables and the loss allowance is measured at an amount equal to lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment. Internal historical data shows no defaults have occurred, the Company has determined Expected Credit Losses for trade and other receivables to be immaterial, accordingly an expected credit loss of trade and other receivables is not calculated.

### 2) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. As the Company is a not-for-profit entity, value in use is the written down current replacement cost of an asset as the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and as the entity would, if deprived of the asset, replace its remaining future economic benefits.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in expenses.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## d) Employee Benefits

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

## e) Provisions

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

## f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

# Notes to the Financial Statements

**For year ended 30 June 2024**

## g) Revenue and Income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, net of goods and services tax, returns, rebates and discounts. The transaction price is allocated to each performance obligation on the basis of the relevant standalone selling price of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Company recognises other revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

**1) Membership income**

Membership fees are paid in advance to the Company in return for a number of benefits and services that are considered to be sufficiently specific performance obligations which are incurred over the lifetime of the membership period. Membership fees are therefore recognised over the period of the membership as benefits are transferred to members. Membership fees paid in advance to the Company are recognised as contract liabilities.

**2) Event registration fees**

Revenue from hosting events is recognised in the financial year in which the performance obligation is considered met which is when the relevant function has occurred. No revenue is recognised prior to the event being held.

**3) Event sponsorship fees**

Revenue from sponsorships is recognised in the financial year in which the performance obligation is considered met which is when the relevant sponsored activity has occurred. No revenue is recognised prior to the sponsored activity occurring.

**4) Education income**

Revenue from extended education is recognised in the financial year in which the performance obligation is considered met which is when the relevant activity has occurred. No revenue is recognised prior to the activity occurring.

Revenue from short courses is recognised in the financial year in which the registration is received via the booking system.

**5) Contract balances**

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

### h) Finance Income

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, dividends, unit trust distributions and imputation credits on funds invested.

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

### i) Financial Instruments

#### 1) Recognition, initial measurement and derecognition

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

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

#### 2) Classification

For the purpose of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

See Note 12 for details about each type of financial asset.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### 3) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

***Debt instruments***

Subsequent measurement of debt instruments depends on the company’s business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in net finance income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in revenue.

***Equity instruments***

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in revenue in the statement of profit or loss as applicable. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Non-derivative financial liabilities

All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise of trade and other payables.

## j) Significant Management Judgement in Applying Accounting Policies

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

*Key Estimate – Useful Lives of Depreciable Assets*

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

## k) Income Tax

The Company is exempt from Income Tax under Division 50 of the Income Tax Assessment Act 1997. Accordingly, no income tax expense, deferred or otherwise, or income tax payable amounts are recorded in the financial statements. The Company is, however, entitled to a refund of dividend imputation credits which arise from the Company's investments.

## l) Going Concern

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

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

The financial report was authorised for issue on 18 September 2024 by the Board of Directors.

## m) Determination of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value, for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

# Notes to the Financial Statements
**For year ended 30 June 2024**

***Investment in equity and debt securities***

The fair value of financial assets at fair value through profit and loss is determined by reference to their quoted bid price at the reporting date.

***Non-derivative financial liabilities***

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

## n) Financial Risk Management

***Overview***

The Company has exposure to credit risk, liquidity risk, market risk and operational risk from its use of financial instruments.

This note presents information about the Company's exposure to these risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

***Risk management framework***

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board of Directors on their activities.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company limits its exposure to financial asset credit risk by only investing in liquid securities.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

***Market risk***

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

***Operational risk***

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

***Investment management***

All investment transactions are carried out within the guidelines set by the Audit and Risk Committee. Generally, the Company seeks to apply a defined percentage of its investment portfolio to a specific investment risk profile in its investments in order to manage volatility in the profit and loss.

The primary goal of the Company's investment strategy is to evaluate its portfolio on a “returns basis”. The Audit and Risk Committee is assisted by external advisors in this regard. In accordance with this strategy, investments are designated through the profit and loss because their performance is actively monitored and they are managed on a fair value basis.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will vary because of changes in market interest rates. The Company manages this by ensuring that its exposure to changes in interest rates is limited to on-call investments.

***Capital management***

The Company is a company limited by guarantee and therefore the Company is not subject to any externally imposed capital requirements.

## o) Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Company’s functional currency.

# Notes to the Financial Statements
**For year ended 30 June 2024**

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Note 2 (a) | **REVENUE AND INCOME** | | |
| | Membership Income | 4,400,192 | 4,406,706 |
| | Event Registration Fees | 2,755,346 | 2,322,325 |
| | Event Sponsorship Fees | 1,627,635 | 1,379,633 |
| | Education and Research Fees | 548,402 | 691,983 |
| | Total Revenue From Contracts with Customers | **9,331,575** | **8,800,647** |
| | Sundry Income | 8,642 | 2,260 |
| | Total Revenue and Income | **9,340,217** | **8,802,907** |
| Note 2 (b) | **NET FINANCE INCOME** | | |
| | Interest From Term Deposits | 11,652 | 10,844 |
| | Interest From Debt Securities at FVTPL | 91,247 | 98,283 |
| | Dividend Income From Equity Securities at FVTPL | 39,106 | 142,182 |
| | Trust Income | 175,412 | 84,064 |
| | Realised Gains/(Losses) | (4,582) | (42,727) |
| | GST/Franking Credits | 14,946 | 65,479 |
| | Fair Value Gain on Equity Securities at FVTPL | 337,374 | 300,481 |
| | Portfolio Management Fees | (57,500) | (71,234) |
| | Other | 15,793 | 68,089 |
| | Total Net Finance Income | **623,448** | **655,461** |
| Note 2 (c) | **OTHER INCOME** | | |
| | Non-Operating Income | 13,596 | 5,307 |
| | Total Other Income | **13,596** | **5,307** |

Note 3 **EMPLOYEE BENEFITS EXPENSE**

The Company makes contributions to defined contributions plans. The amount recognised as an expense was $633,707 for the year ended 30 June 2024 (2023: $555,993)

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Note 4 | **CASH AND CASH EQUIVALENTS** | | |
| | Cash at Bank and in Hand | 511,754 | 1,101,598 |
| | Cash at Investment Account | 1,278,217 | 2,151,452 |
| | | **1,789,971** | **3,253,050** |

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position in Note 13.

Comparative information has been restated for the reclassification of cash equivalents from other financial assets to cash and cash equivalents, short term bank deposits from cash and cash equivalents to other financial assets. Same restatement has been made to Note 12.

# Notes to the Financial Statements
**For year ended 30 June 2024**

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Note 5 | **TRADE AND OTHER RECEIVABLES** | | |
| | Trade Debtors | 249,358 | 153,729 |
| | GST Input Credits | 152,699 | 128,766 |
| | Allowance for Impairment Losses | (5,016) | (5,016) |
| | | **397,041** | **277,479** |

**Allowance for impairment**

Internal historical data shows trade debtors defaults have been extremely low, the Company has determined Expected Credit Losses for trade and other receivables to be immaterial, accordingly an expected credit loss of trade and other receivables is not calculated. There are no known bad debts at 30 June. As at 30 June 2024 42% (2023: 47%) of receivables are current or less than 30 days past due.

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Note 6 | **FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS** | | |
| | Furniture and Equipment At Cost | 498,000 | 396,921 |
| | Less: Accumulated Depreciation | (396,680) | (373,202) |
| | **TOTAL FURNITURE AND EQUIPMENT** | **101,320** | **23,719** |
| | Leasehold Improvements | 630,893 | 762,297 |
| | Less: Accumulated Depreciation | (463,269) | (478,570) |
| | **TOTAL LEASEHOLD IMPROVEMENTS** | **167,624** | **283,727** |
| | **TOTAL FURNITURE EQUIPMENT AND LEASEHOLD IMPROVEMENT** | **268,944** | **307,446** |

Note 6(a) **Movements in Carrying Amounts**

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

| | Furniture & Equipment $ | Leasehold Improvement $ | TOTAL $ |
|---|---|---|---|
| Balance at the beginning of the year | 23,719 | 283,727 | 307,446 |
| Additions | 116,913 | - | 116,913 |
| Depreciation Expense | (39,312) | (116,103) | (155,415) |
| **Carrying amount as at 30 June 2024** | **101,320** | **167,624** | **268,944** |

| | | 2024 $ | 2023 $ |
|---|---|---|---|
| Note 7 | **INTANGIBLES** | | |
| | Software | 1,023,480 | 937,856 |
| | Less: Accumulated Amortisation | (783,647) | (537,895) |
| | **TOTAL INTANGIBLES** | **239,833** | **399,961** |

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

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

| | |
|---|---|
| Balance at the beginning of the year | 399,961 |
| Additions | 123,065 |
| Amortisation expense | (283,193) |
| **Carrying amount as at 30 June 2024** | **239,833** |

# Notes to the Financial Statements

**For year ended 30 June 2024**

| | | 2024 | 2023 |
|---|---|---|---|
| | | $ | $ |
| Note 8 | **TRADE AND OTHER PAYABLES** | | |
| | Trade Payables | 320,053 | 319,444 |
| | Sundry Payables and Accrued Expenses | 26,846 | 191,837 |
| | GST Collected | 308,436 | 253,884 |
| | | **655,335** | **765,165** |
| Note 9 | **PROVISIONS** | | |
| | Current | 469,845 | 415,522 |
| | Non Current | 197,898 | 148,504 |
| | | **667,743** | **564,026** |

| | Employee Benefits | Make Good Provisions | Total |
|---|---|---|---|
| | $ | $ | $ |
| Opening Balance at 1 July 2023 | 542,026 | 22,000 | 564,026 |
| Additional Provisions | 562,266 | - | 562,266 |
| Amounts Used/Reversed | (436,549) | (22,000) | (458,549) |
| **Balance at 30 June 2024** | **667,743** | **-** | **667,743** |

**Make Good Provisions**

The make good obligations have been settled at the conclusion of the respective leases.

**Provision for Long Term Employee Benefits**

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

| | | 2024 | 2023 |
|---|---|---|---|
| | | $ | $ |
| Note 10 | **CONTRACT LIABILITIES** | | |
| | Contract Liability - Subscriptions | 2,317,770 | 2,485,044 |
| | Contract Liability - Sponsorship & Conference | 801,202 | 840,640 |
| | Contract Liability - Partnerships | 90,300 | 111,003 |
| | | **3,209,272** | **3,436,687** |
| Note 11 | **LEASES** | | |
| | The balance sheet shows the following amounts relating to leases: | | |
| | Right of Use Assets | | |
| | Offices | 932,818 | 921,525 |
| | Equipment | 23,796 | 36,004 |
| | | **956,614** | **957,529** |
| | Lease Liabilities | | |
| | Current | 398,923 | 367,108 |
| | Non - Current | 703,394 | 753,264 |
| | | **1,102,317** | **1,120,372** |

# Notes to the Financial Statements

**For year ended 30 June 2024**

Note 11 **LEASES (Continued)**

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

| | Offices | Equipment | Total |
|---|---|---|---|
| | $ | $ | $ |
| Opening Balance at 1 July 2023 | 921,525 | 36,004 | 957,529 |
| Additions | 366,589 | - | 366,589 |
| Depreciation Expense | (355,296) | (12,208) | (367,504) |
| **Balance at 30 June 2024** | **932,818** | **23,796** | **956,614** |

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

| | Current | Non - Current | Total |
|---|---|---|---|
| | $ | $ | $ |
| Opening Balance at 1 July 2023 | 367,108 | 753,264 | 1,120,372 |
| Additions | 54,095 | 312,494 | 366,589 |
| Amounts Settled / Transferred | (22,280) | (362,364) | (384,644) |
| **Balance at 30 June 2024** | **398,923** | **703,394** | **1,102,317** |

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| **Short-Term and Low-Value Lease Commitments** | | |
| Payable: Minumum Lease Payments | | |
| Not later than 12 months | 221,786 | 206,016 |
| Between 12 months and 5 years | 57,870 | 55,280 |
| | **279,656** | **261,296** |

The Company leases its offices under agreements of between 3 to 7 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. During the year, the lease for the Brisbane office was ended, and a new 5-year lease was established. The Company also leases plant and equipment under agreements of 3 years.

The Company leases office and equipment under agreements of 1 to 5 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Short-Term and Low Value Leases Expenses | 228,000 | 211,869 |
| Finance Costs | 73,646 | 79,886 |
| | **301,646** | **291,755** |

# Notes to the Financial Statements
**For year ended 30 June 2024**

Note 12 **OTHER FINANCIAL ASSETS**

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Current | | |
| Term Deposits | 341,053 | 325,573 |
| GST and Imputation Credits Receivable | 14,946 | 59,591 |
| | **355,999** | **385,164** |

The Company has bank guarantees in favour of the lessors of its commercial premises totalling $341,053 (2023: $325,573). The Company has restricted cash matching the above guarantees secured by its bankers to cover these obligations.

| | 2024 | 2023 |
|---|---|---|
| Non Current | | |
| Financial assets at fair value through profit or loss * | | |
| Debt Securities | 3,901,047 | 5,033,677 |
| Equity Securities - Australian | 1,901,864 | 1,962,567 |
| Equity Securities - International | 1,913,369 | 1,365,372 |
| | **7,716,280** | **8,361,616** |

* Financial assets at fair value through profit or loss include equity securities and debt securities not held for the primary purpose of collecting contractual cash flows. Fair values of these securities have been estimated by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy.

Note 13 **CASH FLOW INFORMATION**

**a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

| | 2024 | 2023 |
|---|---|---|
| Cash at Bank and in Hand | 511,754 | 1,101,598 |
| Cash at Investment Account | 1,278,217 | 2,151,452 |
| | **1,789,971** | **3,253,050** |

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

| | 2024 | 2023 |
|---|---|---|
| Deficit from Ordinary Activities | (1,882,658) | (999,979) |
| Non - Cash Flows from Ordinary Activities | | |
| Depreciation and amortisation | 806,113 | 874,915 |
| GST offsets | 6,535 | 16,387 |
| Net Finance Income | (623,448) | (655,461) |
| Changes in Assets and Liabilities: | | |
| Decrease / (Increase) in Trade and Other Receivables | (119,562) | (73,480) |
| Decrease / (Increase) in Prepayments | (83,323) | (19,171) |
| Increase / (Decrease) in Trade and Other Payables | (109,830) | (16,435) |
| Increase / (Decrease) in Contract Liabilities | (227,415) | 436,567 |
| Increase / (Decrease) in Provisions | 103,717 | (50,871) |
| **CASH FLOWS FROM OPERATIONS** | **(2,129,871)** | **(487,528)** |

# Notes to the Financial Statements
**For year ended 30 June 2024**

Note 14 **KEY MANAGEMENT PERSONNEL REMUNERATION**

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

| Key Management Person | Position |
|---|---|
| Melinda Cilento | Chief Executive Officer |
| Jill Carter | Director, People and Culture (ceased on 20/06/2024) |
| Joanne Lilley | Director, Content Programming |
| Mel Nelson | Director, Membership and Education |
| Sharon Smyth | Chief Operations Officer and Company Secretary |
| Cassandra Winzar | Chief Economist |

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

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

KMP receive a superannuation guarantee contribution as required by law, which currently is 11 per cent. They do not receive any other retirement benefits.

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

Refer below for an outline of key management personnel remuneration:

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Short-term employee benefits | 1,565,643 | 1,689,069 |
| Post-employment benefits | 160,006 | 165,331 |
| Other long-term benefits | 103,646 | 60,497 |
| **Total remuneration** | **1,829,295** | **1,914,897** |

# Notes to the Financial Statements

**For year ended 30 June 2024**

Note 15 **General Reserves**

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

Note 16 **RELATED PARTY TRANSACTIONS**

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

Note 17 **COMPANY DETAILS**

The registered office of the company is:
CEDA
Level 3
271 Spring Street
MELBOURNE VIC 3000

The principal place of business is:
CEDA
Level 3
271 Spring Street
MELBOURNE VIC 3000

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

Note 18 **MEMBERS' GUARANTEE**

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $500 each towards meeting any outstanding obligations of the Company. At 30 June 2024 the number of members was 502 (2022: 557).

Note 19 **AUDITOR'S REMUNERATION**

Total audit fees quoted by Grant Thornton for the statutory audit of the Company's financial statements for the financial year ended 30 June 2024 were $33,000 (2023: $31,500). There were no other non-audit services provided by the firm.

# Directors' Declaration

1) The directors of the company declare that the financial statements and notes, as set out on pages 5 to 23 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* including giving a true and fair view of the company's financial position as at 30 June 2024 and its performance for the year ended on that date and comply with Australian Accounting Standards – Simplified Disclosures.

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022,* on 18 September 2024 in accordance with a Resolution of the Board of Directors.

DIRECTOR.

Diane Smith-Gander AO
Chairman

# Independent Auditor's Report

## Auditor’s Independence Declaration