



2016

**Annual Reports presented to members at the
Annual General Meeting**

Parliament House, Canberra

24 May 2017

The Community Council for Australia

The Community Council for Australia is an independent non-political member based organisation dedicated to building flourishing communities by enhancing the extraordinary work undertaken by the charities and not-for-profit sector in Australia. CCA seeks to change the way governments, communities and not-for-profits relate to one another. It does so by providing a national voice and facilitation for sector leaders to act on common and shared issues affecting the contribution, performance and viability of NFPs in Australia. This includes:

- promoting the values of the sector and the need for reform
- influencing and shaping relevant policy agendas
- improving the way people invest in the sector
- measuring and reporting success in a way that clearly articulates value
- building collaboration and sector efficiency
- informing, educating, and assisting organisations in the sector to deal with change and build sustainable futures
- providing a catalyst and mechanism for the sector to work in partnership with government, business and the broader Australian community to achieve positive change.

Our success will drive a more sustainable and effective charities and not-for-profit sector in Australia making an increased contribution to the well-being and resilience of all our communities.



Chair Report

Rev Tim Costello

For the period 1 Jan 2016 – 31 Dec 2016

2016 was a challenging year for CCA and for the charities and not-for-profit sector.

Three events stand out for me as demonstrating the importance of CCA and the work we did in 2016.

The first is the role CCA played in the lead up to the 2016 election. CCA targeted over 100 politicians in marginal electorates with personalised questionnaires about their policies for the charities and NFP sector. This was followed up by discussions with all major political party campaign offices. The CCA pre-election campaign to highlight issues for the charities and not-for-profit sector culminated in a televised National Press Club address which included the publication of a sector survey about concerns and desired national policies. There is no doubt this pressure forced major parties to consider the issues we raised.

The second important CCA achievement I want to highlight was the formal withdrawal by the government of the Bill to dismantle the Australian Charities and Not-for-profit Commission (ACNC). From my direct involvement in this campaign, I know that without the work of CCA, the result might well have been very different. It took a sustained effort from many to achieve this positive outcome, and there will undoubtedly be further efforts required to secure the role of the ACNC, but no-one should underestimate the role played by CCA over several years to ensure the ACNC was given an opportunity to operate effectively despite government opposition. CCA was a real leader in this work.

The third achievement that I found particularly impressive was the publication of the Australia We Want First Report. This publication was several years in the planning starting with the Australia We Want Forum in 2015. CCA wrote and co-ordinated all aspects of this report including overseeing the research, writing, design and printing (even new T Shirts). The launch of the report at the National Press Club was covered by both ABC TV and Sky News. It also attracted enormous media interest with over 100 media stories.

These three successful campaigns say a great deal about the way CCA operated in 2016 and continues to operate today. Achievements like these reflect not only an exceptional staff team, but also the very high level of support provided by our Board Directors, partners, supporters and members. For such a small independently funded member based organisation, the level of output is extraordinary.

In talking about our collaborations and partnerships, I want to focus on how important some of our partners have been throughout 2016. ProBono Australia and Karen Mahlab have become a real information hub for the charities and not-for-profit sector, an information hub that works very closely with CCA in critical areas of national policy. We all thank Karen and her team.

The Centre for Social Impact has provided invaluable support to CCA in helping research and write the Australia We Want first report. Andrew Young and now Kristy Muir have been very good to work with.

Equity Trustees provided the funding to enable our CEO to take some time out to write the report and Save the Children provided some support in overseeing some of the funding arrangements.

PwC continued to support CCA, providing in kind support for CEO forums and other events.

Maurice Reilly and his team at the National Press Club again prioritised the work of CCA and supported two major events.

While all these partnerships are very important, the most important acknowledgement I offer each year in my annual report on the work of CCA is to the members of CCA, who not only support our work, but also fund our work.

As I continually emphasise, CCA is a truly sector led organisation, set up by the sector, run by people from the sector, funded by people from the sector, working to strengthen organisations across the sector. It is genuinely independent of government, and through exercising that independent voice, it has become very influential in driving national policy reform.

The contributions of the sector through membership fees have enabled CCA to employ an outstanding staff team who make up for their lack of numbers by not only working very hard, but also drawing on internal and external expertise to operate in a very strategic way.

Leigh Watson worked with David Crosbie throughout 2016. Her work and support of CCA was invaluable. Deborah Smith also worked for CCA in 2016 and was a very effective champion for the Australia We Want project. David Crosbie again showed his usual courage and persistence, two values not included in the Australia We Want report, but values that have enabled CCA to be effective in what at times was a difficult working environment.

I also want to thank my fellow Board Directors. It is always enjoyable to be part of a Board meeting with well informed and extremely capable leaders from across the charities sector all working towards shared goals. I think the CCA members have chosen very wisely in electing our Board and I look forward to working with them in facing new challenges throughout 2017.

Almost everyone in this room has made an important contribution to the success of CCA. Sometimes we do not take the time to celebrate our successes, to acknowledge the real impact of our work. There are always new challenges, new tasks so we keep moving on, often without reflection.

In concluding this brief report, I encourage you to look around the room, to reflect a little, to acknowledge that 2016 was remarkable year for CCA, and to acknowledge that the reason it was remarkable is because we collectively made the effort to make change happen.

Our work is far from done, and we need more support to become even more effective as we move forward, but as Chair of CCA I am very proud of what CCA achieved in 2016 and I hope you are too.

I look forward to your continued support and involvement in 2017.

A handwritten signature in blue ink, appearing to read 'T. Costello'.

Tim Costello, Chair of the Community Council for Australia



CEO Report - David Crosbie

For the period 1 Jan 2016 – 31 Dec 2016

When we look back on 2016, many charities and not-for-profits will see it as a tipping point for their organisation.

The information now available through analysing the financial reports collected by the Australian Charities and Not-for-profit Commission as part of the annual reporting process tells us that most charities in Australia had less income in 2015 than they did in 2014. Even though many large charities grew larger, average growth across the sector was below the rise in cost of living.

Wage growth stalled, consumer confidence stalled, giving to charities stalled.

Governments become even more reluctant to make ongoing programmatic commitments.

As the scale of expenditure increased in areas like education, health, housing, employment, and disability, for profits increasingly moved into areas previously dominated by charities. Digital disruption emerged as a significant issue for some charities.

Competition in the sector increased for all income sources – government contracts, philanthropy and sponsorships, income from fees and service provision.

Within this environment, the role of CCA has never been as important. We are at risk of going backwards as a sector and losing our collective voice.

There are some critical areas where CCA targeted our work in 2016.

The right of the sector to advocate was written into the definition of charity that came into force in 2014. While this was a great achievement, the reality is that many within government are opposed to charities using their resources to advocate for policy change. CCA appeared before the Parliamentary Inquiry into the Register of Environmental Organisations and has advocated directly to politicians to reject attempts to restrict environmental advocacy. Surveys of the sector showed that despite the legal protections for advocacy, CEOs across the sector felt pressured by government to reduce advocacy. In an environment of increased competition and reductions in organisational income, this pressure is having an impact.

CCA also continued to take a strong stand on the need for the sector to become more active in collaboration and mergers. This included bringing more charity and not-for-profit CEOs together to work on the issues associated with collaborations and mergers. CCA produced and launched a report into these CEO forums highlighting key issues that need to be focused on when considering collaborations and mergers. Perhaps the most critical issue is the importance of ensuring alignment of purpose and mission, not just possible economic savings or efficiencies.

The work on the Australia We Want first report has been highlighted in Tim Costello's report, but I also wanted to emphasise the significance of CCA taking on the challenge of both identifying the core values that matter to Australian leaders of charities, and developing proxy measures for each prioritised value. If we are to develop flourishing communities, we need to invest a great deal more in measuring our progress towards the kind of flourishing communities we want to live in. Like most Australians, I do not

want to live in an Australia where inequality, suicide rates, and imprisonment rates are all increasing. The charities and not-for-profit sector plays a critical role in creating the kind of societies we want to live in, especially when Australian values are being misappropriated to justify discriminatory and harmful policies.

As the list of activities outlined in this report indicate, CCA achieved a great deal in 2016 with limited resources. It goes without saying that the achievements of CCA are grounded in the work of many.

As Tim Costello highlighted in his report, CCA only exists and is only able to operate because leaders in charities and not-for-profits have prioritised supporting CCA through active membership, financial and in-kind support. Many of the policies and positions adopted by CCA are grounded in the concerns of CCA members, conveyed directly to our staff and our Board. CCA relies on this level of active engagement to inform our activities and priorities.

The Board is an exceptional group of people who freely provide their invaluable time and insight in shaping the work of CCA. Every Board meeting, we have a standing item to identify what the priorities for the next three months should be. Every Board meeting these strategic discussions inform the direction of CCA and they empower staff and supporters to focus our efforts in areas that are critical to the members we serve. Without the input and guidance of the Board, CCA would be a much less effective organisation.

The importance of the role played by Tim Costello as our CCA Chair cannot be overstated. Not only does Tim provide CCA with leadership at the Board level, he also often gives a great deal of time to supporting various CCA campaigns, even taking on major challenges like delivering televised National Press Club addresses largely on behalf of CCA and our members. Without Tim's contribution, the work of CCA would be greatly diminished. I thank him for his tireless grace and support.

Leigh Watson and Deborah Smith both worked with me in 2016. Leigh provided wonderful support and direction for communications and engagement strategies, while Deborah continued to ensure the Australia We Want report not only looked the way it does, but also became a reference point for the mission of CCA. I acknowledge both Leigh and Deborah and thank them for their outstanding work which extended well beyond what they were paid for.

Our core supporters in 2016 were Equity Trustees, ProBono Australia and Karen Mahlab, PwC, Origin Foundation and Sean Barrett, the National Press Club, the Centre for Social Impact, and Ross Woodward at MediaKey. All are important and all have been very supportive of our broader mission.

I started this report talking about the realities facing the charities and not-for-profit sector. At CCA we talk about owning our future, owning the kind of communities we want to live in, setting our agenda and striving to enhance the amazing work being done within our sector.

We can only achieve positive change and strengthen our sector if CCA members and supporters continue to back us, continue to be engaged and provide us with the input we need to shape our work.

Thank you for all your support in 2016. I look forward to building on our successes in 2016, and facing new challenges with increased support in 2017.



David Crosbie, Chief Executive Officer



Snapshot of CCA Activities in 2016

Below is a listing of the key activities CCA undertook in 2016 as part of its charter to build flourishing communities by enhancing the extraordinary work of Australia's not-for-profit sector.

Advocacy was pursued through policy submissions, parliamentary processes such as Senate Estimates, and via meetings with parliamentarians and their advisers, senior bureaucrats and key stakeholders. CCA maintains a high media profile, providing 'go to' analysis and commentary on sector issues through all forms of media.

Key issues advocated on by CCA

- Ensuring the Not-for-profit sector is noticed, respected and more involved in critical national economic and social policy discussions.
- Advocacy, and the value charities bring to national policy discussion and development. The legislated right and role of charities in advocating for the communities they serve.
- The contribution of the sector in social and economic terms, and the need for: a federal minister dedicated to sector issues; and for Government to work with the sector to develop a future blueprint for the sector.
- The need to boost sector productivity, investment and sustainability by improving the way government works with the sector, including by increasing certainty in government funding, concessions, incentives and regulations.
- Reducing red tape and compliance costs.
- Support for the continuation of the Australian Charities and Not-for-profits Commission to ensure an independent and effective process in determining charitable status, building public confidence in the sector and driving government red tape reduction.
- Fundraising and the need to harmonise regulations across all jurisdictions.
- Social finance and impact investing to expand capital options available to the sector.
- Utilisation of Australian super funds for social impact, eg. Innovative French 90/10 rule to create billions of dollars for social impact projects.
- Increasing philanthropy by enabling 'opt out' systems of workplace giving.
- Consideration for the introduction of death duties with appropriate incentives for donations to charities (as applies in most OECD countries).
- DGR status and the need to streamline processes.
- Mergers and collaboration in the sector to reduce duplication and increase social impact.

Policy submissions and input (selected)

- Submission on *Private Ancillary Fund (PAF) and Public Ancillary Fund (PuAF) Amendment Guidelines 2015* : the Government has since accepted the argument and decided not to introduce the controversial treasury recommendation to change the current distribution rates for ancillary funds.
- *CCA Federal Budget Submission 2016/17* : providing nine recommendation that could deliver real benefits to government over the longer-term and strengthen communities.
- Submission to the Productivity Commission, *Inquiry into Introducing Competition and Informed User Choice into Human Services* : raising key concerns with the application of contestability and competition to the human services sector.
- Submission on *AASB Exposure Draft ED 270, Reporting Service Performance Information* : concluding that the AASB proposal offers very little real benefit while imposing significant new costs on charities.
- Submission in relation to *Australian Consumer Law Review*: encouraging amendments that would clarify the ACL in relation to donors to strengthen public trust and simplify and harmonise fundraising regulation.
- Comments on the *draft Commissioner's Interpretation Statement: Public Benevolent Institutions*: providing guidance on the meaning and scope of 'public benevolent institution' (PBI) for ACNC purposes.
- Input invited to inform ALP policy planning: note that Andrew Leigh MP now holds the role of Shadow Minister for Charities and Not for Profits.

CCA projects

- *The Australia We Want, First Report* – launched by Chair, Tim Costello at a National Press Club address, attracting nationwide media coverage, 27 Oct
- *Owning Our Future: Mergers and Collaborations* – report on the issues and recommendations emerging from CCA leadership forums on mergers and collaboration to better achieve purpose and social impact.
- CCA 2016 AGM at Parliament House, 4 May
- Pre-election Survey and Political Panel, National Press Club, 14 Jun
- CFO Forum with Deloitte and Treasury representatives, Sydney, 13 Oct

Advisory groups and presentations (selected)

- Australian Charities and Not-for-profits Commission Advisory Board
- Impact Investing Australia Advisory Board
- CCA presented at more than 15 major conferences and events

Media, communications

CCA media activity is ongoing and extensive. CEO, David Crosbie and Chair, Tim Costello, contribute commentary and analysis across Australia at national and regional levels via radio, print, online and television. Outlets who cover CCA issues include The Guardian, Sky News, ABC, The Australian, The Age, Sydney Morning Herald, Canberra Times, Daily Telegraph, West Australian, Adelaide Advertiser and other News Limited and Fairfax publications, and a wide range of local media organisations.

The launch of the *Australia We Want*, alone generated over 80 media articles and interviews across all major media.

Other issues that attracted media attention in 2016 included CCA's advocacy in the run-up to the Federal Election, the Government's announcement confirming the continuation of the ACNC, estate taxes, fundraising, and mergers and collaboration within the sector.

CCA is regularly sort after for commentary on sector issues and has contributed over 20 opinion pieces during 2016. David also contributes to Third Sector Magazine and writes fortnightly in Pro Bono News.

CCA also released the first ever CCA Christmas Carol which attracted a range of responses across the media and the twitter-sphere.



Community Council for Australia Limited

ABN 76 141 705 599

Annual Report

For the Year Ended 31 December 2016

Community Council for Australia Limited

Contents

	<i>Page</i>
• Directors' report	3
• Statement of comprehensive income	8
• Statement of financial position	9
• Statements of changes in equity	10
• Statement of cash flows	11
• Notes to the financial statements	12
• Directors' declaration	17
• Lead auditor's independence declaration	18
• Auditor's report	19

Community Council for Australia Limited

Directors' Report

For the year ended 31 December 2016

The directors present their report together with the financial report of the Community Council for Australia Limited ('the Company') for the financial year ended 31 December 2016 and the auditor's report thereon.

Directors

The directors of the Company during 2015 were:

<i>Name and qualifications</i>	<i>Experience and special responsibilities</i>
Rev Tim Costello, AO, BJuris, LLB, DipEd	Chief Advocate, World Vision (Board Chair)
George Aghajanian	Chief Executive, Hillsong Church
Mary Jo Capps, MA	Chief Executive Officer, Musica Viva
Rev Keith V Garner AM, Mth (Oxon)	Chief Executive Officer, Wesley Mission
Catherine Yeomans (appointed April 2016)	Chief Executive Officer, Mission Australia
Marc Purcell (appointed April 2016)	Chief Executive Officer, Australian Council for International Development
Heather Neil, BSc (Hons), MBA	Chief Executive Officer, RSPCA Australia
Dr Lisa O'Brien, MBBS (Hons), FRACMA, MBA, MHRM&C	Chief Executive Officer, The Smith Family
Claire Robbs	Chief Executive Officer, Life Without Barriers
Paul Ronalds	Chief Executive Officer, Save the Children Australia
Brett Williamson OAM, BHMS (Ed), B Ed, Dip CD (resigned November 2016)	Chief Executive Officer, Volunteering Australia
Dr Dennis Young, DHSM, MBA, Grad Dip FET, B.Bus	Chief Executive Officer, Drug Arm Australia

It is important to note that all the above directors bring a wealth of not-for-profit leadership experience and are engaged in a broad range of advisory groups to government, and as Directors on a range of organisations. No payments were made to directors in 2016.

Company secretary

David William Crosbie was appointed to the position of company secretary on the 1st of December 2010. David Crosbie (BA, Dip Ed, Grad Dip Spec Ed) is an experienced CEO and Board Director, Graduate of the Australian Institute of Company Directors, former CEO of the Mental Health Council of Australia, Odyssey House Victoria and the Alcohol and other Drugs Council of Australia. He has served on the Advisory Board to the Australian Charities and Not-For Profits Commission amongst other appointments.

Community Council for Australia Limited

Directors' Report (continued)

For the year ended 31 December 2016

Directors' meeting

The number of directors' meetings and number of meetings attended by each of the directors of the Company during 2016 were:

Director	Total of 4 Board Meetings in 2016	
	<i>Eligible to attend</i>	<i>Attended</i>
Rev Tim Costello (Chair)	4	3
George Aghajanian	4	3
Mary Jo Capps	4	4
Rev Dr Keith Garner	4	3
Heather Neil	4	4
Dr Lisa O'Brien	4	3
Claire Robbs	4	4
Paul Ronalds	4	2
Dr Dennis Young	4	4
Marc Purcell (appointed April 2016)	2	1
Catherine Yeomans (appointed April 2016)	2	1
Brett Williamson (resigned November 2016)	3	3

Community Council for Australia Limited

Directors' Report (continued)

For the year ended 31 December 2016

Principal activities

The Community Council for Australia (the Company) is an independent non-political member based organisation dedicated to building flourishing communities by enhancing the extraordinary work undertaken by the charities and not-for-profit sector in Australia. The Company seeks to change the way governments, communities and not-for-profits relate to one another. It does so by providing a national voice and facilitation for sector leaders to act on common and shared issues affecting the contribution, performance and viability of NFPs in Australia. This includes:

- promoting the values of the sector and the need for reform
- influencing and shaping relevant policy agendas
- improving the way people invest in the sector
- measuring and reporting success in a way that clearly articulates value
- building collaboration and sector efficiency
- informing, educating, and assisting organisations in the sector to deal with change and build sustainable futures
- providing a catalyst and mechanism for the sector to work in partnership with government, business and the broader Australian community to achieve positive change.

Our success aims to drive a more sustainable and effective charities and not-for-profit sector in Australia making an increased contribution to the well-being and resilience of all our communities.

The principal activity of the Company during this year was advocating for regulatory and other changes that would benefit the Australian not-for-profit sector and the communities they serve, as well as engaging in pre-election advocacy, and producing the ground-breaking report into key values and indicators that provide a reference point for our progress towards the Australia we would all want to live in – Australia We Want first report. Continued uncertainty, the narrow election victory of a government that does not enjoy a majority in the Senate, and concern about growing levels of government debt contributed to further uncertainty across the charities and not-for-profit sector. The Company's activities over the 12 months are reported in more detail as part of the CEO report from David Crosbie and the Chair report from Rev Tim Costello.

Review and results of operations

The surplus for the year was \$31,423 (2015: surplus \$1,858).

The continued growth of the Company as a voice for the charities and not-for-profit sector is testimony to the efforts of many people over a considerable period of time. In this sixth full year of operations, the Company consolidated its role as a respected voice for the Australian charities and not-for-profit sector, particularly with the pre election National Press Club forum and the publication of the Australia We Want first report. Membership grew despite the sector uncertainty. The Company was supported in its work by many organisations including: Equity Trustees, PwC, ProBono Australia, the National Press Club and the Centre for Social Impact.

Community Council for Australia Limited

Directors' Report (continued)

For the year ended 31 December 2016

Dividends

The Constitution of the Company, as a company limited by guarantee, does not permit the distribution of dividends to members.

State of affairs

This was the sixth full year of trading for the Company. There were no significant other changes in the state of affairs of the Company during the financial period under review which are not disclosed in the financial statements.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments

There are no specific likely developments in the operations of the Company other than those mentioned elsewhere in the financial statements in the coming year.

Directors' Interests

Since the beginning of the financial period, no director has received or become entitled to receive a benefit, by reason of a contract made by the Company or a related corporation with the director, or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Indemnification and insurance of officers and auditors

Since the beginning of the financial period, the Company has not indemnified or made a relevant agreement indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for financial year ended 31 December 2016.

Community Council for Australia Limited

This report is made with a resolution of the directors:



Rev Tim Costello (Chair)
DATED: 19 May 2017



David Crosbie (Chief Executive Officer)
DATED: 19 May 2017

Community Council for Australia Limited

Statement of Comprehensive Income

For the year ended 31 December 2016

	<i>Note</i>	2016	2015
		\$	\$
Grants & Projects Revenue		96,840	64,368
Membership income		363,932	385,750
Other income		-	-
Total income		460,772	450,118
Less:			
Personnel costs		323,192	323,154
Consultant fees		-	12,361
Communications and marketing		36,887	31,606
Other expenses	4	69,433	81,222
Results from operating activities		31,260	1,775
Finance income		163	83
Surplus / (deficit) before tax		31,423	1,858
Income tax expense		-	-
Surplus / (deficit) for the period		31,423	1,858
Other comprehensive income		-	-
Total comprehensive income for the period		31,423	1,858

The notes on pages 11 to 17 are an integral part of these financial statements.

Community Council for Australia Limited

Statement of Financial Position

As at 31 December 2016

	<i>Note</i>	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	7	68,447	32,314
Trade receivables		24,200	25,000
Prepayments/other assets		222	-
Security deposit		5,300	5,300
Total current assets		98,169	62,614
Current Liabilities			
Trade and other payables	5	58,507	54,375
Total current liabilities		58,507	54,375
Net Current Assets		39,662	8,239
Net Assets		39,662	8,239
<i>Represented by:</i>			
Members funds			
Retained earnings		39,662	8,239
Net Equity		39,662	8,239

The notes on pages 11 to 17 are an integral part of these financial statements.

Community Council for Australia Limited

Statement of Changes in Equity

For the period ended 31 December 2016

	<i>2016</i>	<i>2015</i>
Retained earnings	\$	\$
Opening balance	8,239	6,381
Surplus for the year	31,423	1,858
Closing retained earnings	39,662	8,239

The notes on pages 11 to 17 are an integral part of these financial statements.

Community Council for Australia Limited

Statement of Cash Flows

For the period ended 31 December 2016

	<i>Note</i>	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from members and others		461,572	493,649
Interest received		163	82
Payments to suppliers and employees		(425,602)	(472,771)
		<hr/>	<hr/>
Net cash from / (used in) operating activities	6	36,133	20,960
		<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents		36,133	20,960
		<hr/>	<hr/>
Cash and cash equivalents at beginning of period		32,314	11,354
		<hr/>	<hr/>
Cash and cash equivalents at end of period	7	68,447	32,314

The notes on pages 11 to 17 are an integral part of these financial statements.

Community Council for Australia Limited

Notes to the financial statements

1. Reporting entity

The Community Council for Australia Limited (the “Company”) is a company domiciled in Australia. The address of the Company’s registered office is currently Unit 1, 20 Napier Close Deakin ACT 2600. The Company is primarily involved in promoting the interests of its members and the wider Not-For-Profit sector.

2. Basis of Preparation

(a) Statement of compliance

The Company early adopted AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Standards Arising from Reduced Disclosure Requirements* for the financial year beginning on 1 January 2013 to prepare Tier 2 general purpose financial statements.

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. Significant accounting policies

The accounting policies set out below have been applied in the preparation of these financial statements.

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Notes to the financial statements (continued)

Other

Other non-derivative financial instruments include trade and other receivables and trade and other payables. These are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different lives, they are accounted for as separate items (major components) of property, plant and equipment. Only items greater than \$5,000 are capitalised.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of comprehensive income as incurred.

Depreciation

Depreciation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

(c) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in statement of comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Notes to the financial statements (continued)

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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) Revenue

(i) Membership revenue and other income

Member subscription revenue and other income are recognised in the statement of comprehensive income when control over these amounts is controlled, by the Company. Membership revenue is recognised in the year of receipt. When other revenue is received for a future period it is recognised in the statement of financial position as a liability until the respective period commences.

(ii) Interest revenue

Interest revenue is recognised as it accrues using the effective interest rate method.

(e) Lease payments

Payments made under operating leases are recognised in statement of comprehensive income on a straight-line basis over the term of the lease

(f) Income taxes

The Company is income tax exempt and has made no income tax payments in relation to the year ending 31 December 2015.

(g) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Presentation of financial statements

The Company applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

(i) Early adoption of new standards and interpretations

No new standards or interpretation have been applied earlier than required.

Notes to the financial statements (continued)

4. Other expenses

	2016	2015
	\$	\$
Accounting and audit fees	10,595	10,695
Rent and related expenses	18,365	33,595
General operating expenses	40,473	36,931
	69,433	81,221

5. Trade and other payables

	2016	2015
	\$	\$
Payroll accruals	25,228	20,221
Other taxation amounts provided for	6,877	5,000
GST Payable	6,005	21,955
Accruals	3,500	7,000
Trade payables	11,897	-
	58,507	54,176

6. Reconciliation of cash flows from operating activities

	2016	2015
	\$	\$
Surplus / (loss) for the period	31,423	1,858
Non-cash transactions	-	-
Increase / (decrease) in trade and other payables	4,132	16,105
(Increase) / decrease in prepayments	(222)	497
(Increase) / decrease in trade receivables	800	2,500
Increase / (decrease) in deferred revenue	-	-
Net cash from operating activities	36,133	20,960

7. Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank as per the statement of financial position	68,447	32,314
Cash and cash equivalents in the statement of cash flows	68,447	32,314

Notes to the financial statements (continued)

8. Related parties

Directors

There was no remuneration paid or payable to the directors of the company in respect of the reporting period.

The directors all hold the role of CEO with a member organisation who pay membership fees to the Company. No director has entered into any contract with the company since or during the financial period, and there were no contracts involving directors' interests subsisting at year-end.

Company Secretary

David Crosbie was appointed as CEO and Company Secretary on 1 December 2010. The company makes payments to an entity controlled by Mr Crosbie to cover the role undertaken by Mr Crosbie for the Company, the amount of which has been disclosed in **Note 9: Key Management Personnel Disclosures**.

9. Key Management Personnel Disclosures

	2016	2015
	\$	\$
Key Management Personnel Compensation (gross payt.)	259,617	240,386

10. Liability of Members

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and is a company limited by guarantee. As at 31 December 2016 there were 70 members guaranteeing to contribute up to \$100 each in the event of the Company being wound up.

Community Council for Australia Limited

Directors' Declaration

In the opinion of the directors of the Community Council for Australia Limited ('the Company'):

(a) the financial statements and notes set out on pages 8 to 16, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

- 1 giving a true and fair view of the Company's financial position at 31 December 2016 and of their performance, for the period ending 31 December 2016; and
- 2 complying with the Australian Accounting Standards – Reduced Disclosure Regime and the *Australian Charities and Not-for-profits Commission Regulation 2013 (Cth)*; and

(b) 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 a resolution of the directors:



Rev Tim Costello (Chair)
DATED: 19 May 2017



David Crosbie (Chief Executive Officer)
DATED: 19 May 2017

**Lead Auditors Independence Declaration under Section 60.40 of the
*Australian Charities and Not-For-Profits Commission Act 2012***

To: the directors of Community Council for Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

AccountAbility



Anthony Wilson

Registered Company Auditor

Canberra

19th of May 2017

Independent auditor's report to the Board of Directors of Community Council for Australia Limited

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Community Council for Australia Limited, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion the financial report of Community Council for Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of Community Council for Australia Limited in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the *Code*) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the *Code*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis my opinion.

Other Information

The directors' are responsible for the other information. The other information comprises the information made available to members and the public by Community Council for Australia Limited on its website, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The directors' of Community Council for Australia Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the directors' determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors' are responsible for assessing Community Council for Australia Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors' either intends to liquidate Community Council for Australia Limited or to cease operations, or has no realistic alternative but to do so.

The directors' are responsible for overseeing Community Council for Australia Limited's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to:
 - fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 - evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Community Council for Australia Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Community Council for Australia Limited.
- Conclude on the appropriateness of Community Council for Australia Limited' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Community Council for Australia Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Community Council for Australia Limited to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the:
 - disclosures, and whether the financial report represents the underlying transactions and events
 - in a manner that achieves fair presentation.

I communicate with Community Council for Australia Limited regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including when considered necessary any significant deficiencies in internal control that I identify during my audit.

AccountAbility



Anthony Wilson

Registered Company Auditor

Canberra

19th of May 2017