

accan

Annual Report  
2009

ACCAN  
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**Australian Communications  
Consumer Action Network  
(ACCAN)**

**Annual Report  
2009**





## ACCAN GOALS AND ACTIVITIES

- Improved accessibility, affordability and availability of communications services to all consumers;
- Better informed consumers with access to Australian information and communications technology resources;
- A strong, co-ordinated voice which uses our diversity as a point of strength for communications consumers, nationally and internationally;
- Effective advocacy for consumers to Government, regulators and the industry in the development of policy, legislation and industry practices;
- Inclusive consultation with stakeholders to identify areas and priorities for industry and/or regulatory responses;
- Robust research to support evidence based policy development and consumer education programs;
- Meaningful participation in regulatory and co-regulatory activities including industry codes, standards and guidelines
- Outreach, campaigns and activities that involve consumers in the communications arena
- Enhanced capacity for consumer representatives through information seminars, training and international engagement
- Openness, transparency and inclusion of all parties interested in representing consumers on communications issues

## CHIEF EXECUTIVE OFFICER'S MESSAGE



Welcome to ACCAN's first Annual Report.

ACCAN was created from the need for a strong, co-ordinated consumer perspective in advocacy and representation in communications and information technology with the capacity to present high level policy submissions to government.

Our purpose is to give consumers a strong, unified voice, to improve dialogue and engagement with government and be the interface between consumer groups and industry.

In the short time that ACCAN has been in operation we have already made an impact on the landscape.

We have commissioned foundational research on emerging consumer issues in telecommunications, convergent communications and media; we will be looking at the role and effectiveness of customer service charters and finally we are investigating the issue of informed consent with relation to communications services.

We will work towards building our capacity to empower consumers to make markets more competitive and to effectively address the needs of disadvantaged groups including the disability sector.

The outlook is an exciting one, as we plan campaigns to keep the industry accountable to consumers, work with regulators to ensure they enforce legislative measures and lobby government to develop policy with the interests of consumers.

ACCAN would be in no position to launch its operations so soon after our formation in October 2008 were it not for the solid foundations built by the predecessor organisations, the CTN and TEDICORE.

Members can be confident that ACCAN will develop and advocate dynamic and responsible policies that will include their active involvement and participation.

I also look forward to working with the ACCAN Board in delivering on our strategy in consumer representation across a range of existing and emerging issues in the communications sector over the coming years.

A handwritten signature in black ink that reads "Allan Asher". The signature is written in a cursive, flowing style.

**Allan Asher, CEO**

## CHAIR'S MESSAGE



Many new organisations face a mix of energy, enthusiasm, support and time needed to properly lock in direction. ACCAN has been no different in its first formative year. At the start we relied on a management agreement with CTN and all of the board contributed its range of skills to get the tasks done. We had a contractual agreement with the Federal Government to negotiate, three research reports to complete, an organisation and office to establish and a CEO to hire all within a few months. For this enormous task I particularly thank my fellow board members who gave their time and effort freely and generously.

Our funding base is secure and we are appropriately accountable for the public monies under our guardianship. We have been fortunate to both recruit the very experienced campaigner Allan Asher as CEO and retain the core staff of CTN, including Teresa Corbin in the position of Deputy CEO. The research reports, backed by extensive consumer consultation, have provided both insight and timely direction into the main issues ACCAN must pursue.

Early indications are that we can act as a powerful voice for the consumer and that government and industry will take notice. That is what will drive ACCAN in its fully operational phase; the needs of the consumer and ensuring that everyone is treated fairly.

A handwritten signature in black ink, appearing to read 'Alex Varley', with a long horizontal flourish extending to the right.

**Alex Varley, Chairperson**



## ACCAN FOUNDING BOARD

### **Nan Bosler**

President, Australian Seniors Computer Clubs Association, Director of Consumer Telecommunications Network. Nan brings advocacy and non government consumer experience across a range of areas particularly for seniors incorporating interests in outcomes for low income, regional, rural and remote, culturally and linguistically diverse backgrounds as well as the internet and emerging technologies. She has extensive experience in telecommunications specific consumer representation.

### **Len Bytheway**

ACT for Kids and Director (Deputy Chair) of Consumer Telecommunications Network. Len has strong governance experience and brings range of skills and knowledge on disability issues indigenous youth, regional and remote area issues, as well as QAS and strategic planning.

### **Aaron Davis**

Chief Executive Officer, Indigenous Consumer Assistance Network. Aaron's experience includes Indigenous consumer affairs, Community Council operation, and financial counselling, strategic planning, mass media and online communication.

### **Gerard Goggin**

Professor of Digital Communication, and Deputy Director Journalism and Media Research Centre, University of New South Wales. Gerard has an extensive background in academic and consumer representation across a broad range of communication issues. He also has research, publication and presentation skills; governance skills, communications law experience and experience in not for profit setting.

### **Catriona Lowe**

Co-Chief Executive Officer, Consumer Action Law Centre and Chair of Consumers Federation of Australia. Catriona's key skills include consumer representation with strong governance and policy advocacy experience, specific telecommunication consumer advocacy, not for profit company establishment and specific merger experience including HR matters, branding and strategic planning. She was a member of the ACCAN working group.

### **Kyle Miers, Secretary**

*Disability Representative*, Manager, of National Information and Projects with Deaf Children Australia, President of Deaf Australia, and founding member of Federation of Disability Organisations. Kyle's key skills and experience include community advocacy, particularly for the disability sector, management of community based organisations and strategic planning experience.





## ACCAN FOUNDING BOARD

### **Holly Raiche, Deputy Chair**

Executive Director, Internet Society of Australia, Director of Consumer Telecommunications Network. Holly brings legal, strong policy development and governance experience. Holly also has extensive experience in policy advocacy including: privacy, emerging technology and small business issues. She was a member of the ACCAN working group.

### **Alex Varley, Chairman**

*Disability Representative* Chief Executive Officer, Media Access Australia. Alex's key skills and attributes include strong governance and marketing experience, links with seniors' organisations and international contacts.

### **Sue Salthouse**

*Disability Representative* Director, Didactic Enterprise, Chair of the Communications Alliance Disability Council. Sue's experience includes governance, women's and human rights advocacy and diverse community sector board experience. She was a member of the ACCAN working group.



## ACCAN A STRONGER VOICE FOR CONSUMERS

In May 2008 the Minister for Broadband, Communications and the Digital Economy (DBCDE), Senator Stephen Conroy, held a forum to consider ways that consumers could have a stronger voice in telecommunications issues. The forum held in Canberra, was attended by representatives from consumer groups, government and industry.

The Minister highlighted his belief that consumers must be adequately represented in telecommunications policy making, especially in an environment of continual technological change, globalisation, evolving market structure and new business models. He expected consumer groups to be “fearless friends” and to speak out and be “feisty”.

At the forum a number of industry organisations presented their perspectives including: The Telecommunications Industry Ombudsman (TIO), Communications Alliance (CA), the Australian Competition & Consumer Commission (ACCC), Consumers’ Telecommunications Network (CTN), Telecommunications Disability and Consumer Representation (TEDICORE), Choice, Australian Telecommunications Users Group (ATUG) and Small Business and Enterprise Telecommunications Group (SETEL).



Allan Asher with Communications Minister, Senator Stephen Conroy at the launch of ACCAN

Those present gave a commitment to work towards the establishment of a new peak communications consumer body that represented the diversity of all consumers’ interests.

The role of the consumer peak body would include representation, research, advocacy, information dissemination, capacity building, policy review and comment. It would be structured as a single entity model to ensure that it was a member based organisation. It was proposed that core funding for this new peak body would come from government with a multi-year contract.



Keith Besgrove, DBCDE and Allan Asher signing contract

A working group was established to prepare a proposal and transition plan. The working group was supported and resourced by DBCDE (the Department) and the Consumers’ Telecommunications Network which was appointed as the co-ordinating consumer group and Philippa Smith, AM, the independent facilitator for the working group and consultation process. Members of the Consumer Representation Working Group included: Gunela Astbrink, National Coordinator TEDICORE; Ewan Brown, CEO SETEL; Cheryl Langdon-



## ACCAN A STRONGER VOICE FOR CONSUMERS

Orr, Internet Society of Australia (ISOC-AU); Holly Raiche, ISOC-AU; Christopher Newell, Australian Federation of Disability Organisations (AFDO); Sue Salthouse, Women With Disabilities Australia; Rosemary Sinclair, CEO ATUG; Su Robertson, Acting Director of Communications Law Centre and Teresa Corbin, CEO CTN.

The working group met five times with the Department and also held a number of separate meetings. Feedback was sought from and incorporated into the proposal from a wide range of consumer and small business groups.

Subsequently the purpose, name (*Australian Communications Consumer Action Network or ACCAN*), and governance structure including an independent grants panel and a proposal for transitional arrangements were developed for the organisation.



ACCAN staff

In June 2008 the Minister allocated \$87,000 in seed funding to enable the working group to engage Maddocks Lawyers to draft a constitution, prepare financial modelling, develop a logo and purchase a domain name [www.accan.org.au](http://www.accan.org.au), ACCAN's first web presence.

On 1 August 2008 the working group submitted its proposal for the creation of a new peak body ACCAN to the Minister for consideration by Cabinet in the 2009 Federal Budget.

The founding ACCAN Board was also announced and on 15 October 2008 ACCAN was incorporated and became a legal entity.

In December 2008 the Minister announced a grant for ACCAN of \$500,000 for establishment and \$200,000 for research. This enabled the ACCAN Board to meet and begin the next stage of the formation of the new peak body. The Consumer's Telecommunications Network was appointed as project co-ordinator to oversee this phase.

The ACCAN Board held its inaugural meeting on 17 December 2008 in Sydney and elected Alex Varley as the Founding Chairperson; Holly Raiche as Deputy Chairperson; Aaron Davis as Treasurer, Kyle Miers as Secretary and Gerard Goggin as Media Spokesperson. In the past financial year the ACCAN Board undertook an enormous amount



CTN staff – past and present  
1991 - 2009



## ACCAN A STRONGER VOICE FOR CONSUMERS

of out of session work to establish ACCAN as a fully operational peak body.

One of the key tasks the board completed was the recruitment and appointment of the ACCAN Chief Executive Officer. On 18 April 2009 ACCAN announced the appointments of Allan Asher as the ACCAN CEO and Teresa Corbin as Deputy CEO, who take up their positions in July.

During this period ACCAN commissioned several consultants to complete three major research projects on Informed Consent; Customer Service and the Future Consumer. ACCAN also moved to agree on Memorandums of Understanding with CTN and TEDICORE. These outlined that staff, any assets and property, intellectual property and representational positions from both organisations would transfer to ACCAN from 1 July 2009. This would ensure that ACCAN would have a base from which to build its new peak body.



CTN Board

The Consumer's Telecommunications Network provided a secretariat for the ACCAN Board and for project managing the establishment of a fully operational, accessible office for ACCAN by 30 June 2009. This also involved the development of a website, communications plan and running several events for ACCAN including a Consumer Representation Workshop and a Seminar on the National Broadband Network on 19 May 2009 and a Research Forum on 21 May 2009.

The 2009/10 Federal Budget included funding of \$2 million indexed per annum for ACCAN to commence from 1 July 2009 for a four year period. This enabled ACCAN to move into its next stage of establishment and sign a lease for an office in Ultimo, Sydney. ACCAN's new management team led the negotiations with DBCDE for the multi-year funding contract for 2009 -2013. The Consumer's Telecommunications Network commissioned work on ACCAN's office fit out, signage and the installation of cabling and information and communications equipment.

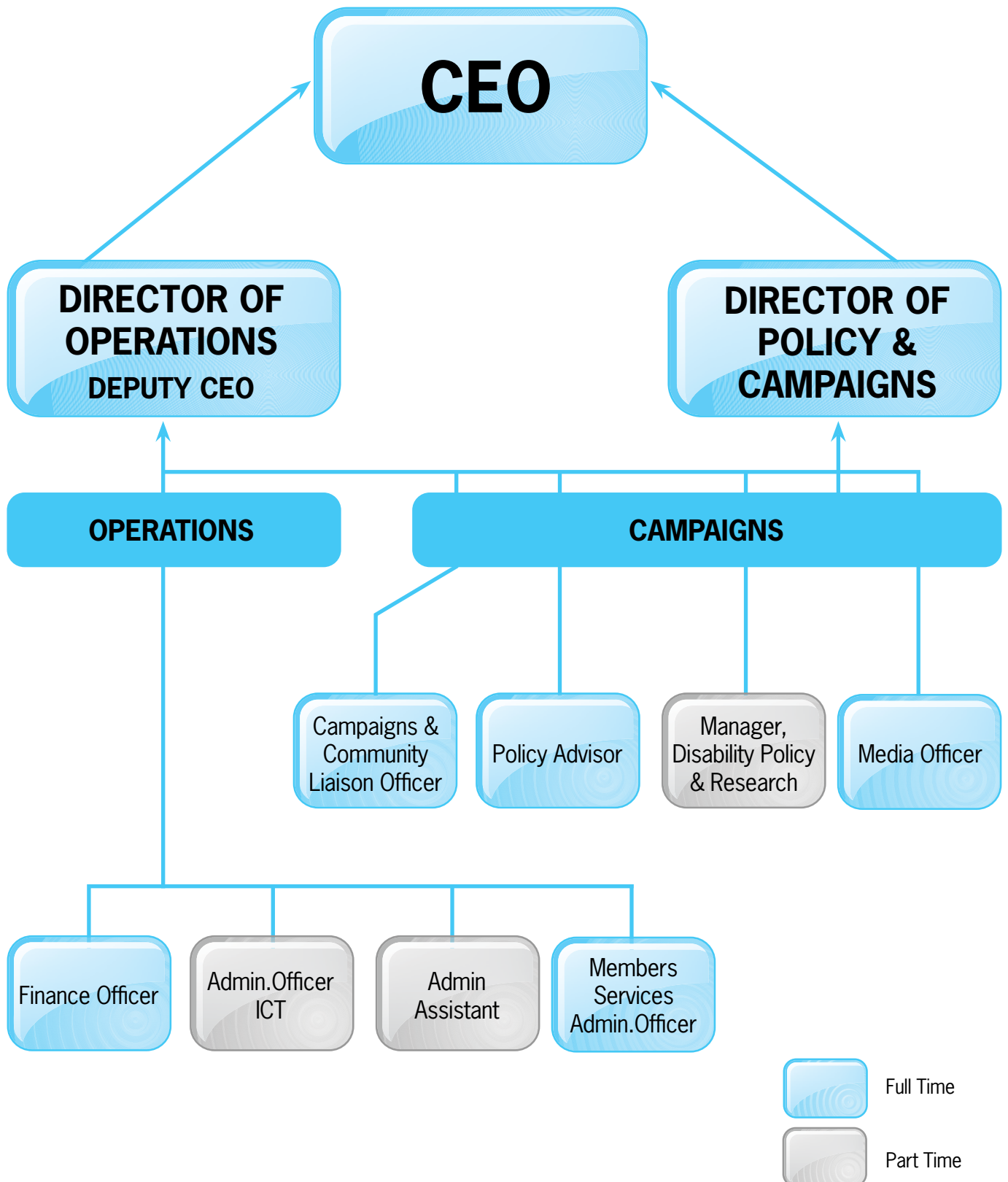
On 30 June 2009 ACCAN launched its new website and moved into its new premises marking the beginning of a new era in consumer advocacy in communications. In just over 12 months a committed group of consumers, industry and government representatives had changed and improved communications consumer representation and research in Australia to a point where the organisation is recognised as a beacon of best practice for the rest of the world.



Consumer Representation  
Working Group



## ACCAN ORGANISATION STRUCTURE





## ACKNOWLEDGEMENTS

ACCAN would like thank the following people for the part they have played in these historic changes and the establishment of the organisation;

Senator Stephen Conroy, Minister for Communications, Broadband and the Digital Economy and his staff; Patricia Scott, Keith Besgrove and the staff at the Department of Broadband Communications and the Digital Economy

Members and their organisations of the Consumer Representation Working Group and Philippa Smith for facilitating the process

CTN Board, members and staff

ACCAN Board

Australian Federation of Disability Organisations and TEDICORE

Consumer representatives and their organisations that provided support and feedback

Community members, too numerous to be named, who have provided comments, input, and support along the way

Maddocks Lawyers, NGO Recruitment and Hoyne Design for going above and beyond their service briefs. Purrana IT; Bowermans Office Furniture; Deans Property; Bay Electrical and Data

We look forward to continuing to work with you in the future as ACCAN implements its vision, mission and strategic plan.





## FINANCIAL STATEMENTS

# AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED

ABN: 42 133 719 678

Annual Financial Report For The Period Ended  
30 June 2009



# Australian Communications Consumer Action Network Limited

**30 June 2009**

**ABN: 42 133 719 678**

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**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**DIRECTORS' REPORT**

Your directors present this report on the entity for the financial period ended 30 June 2009.

**Directors**

The names of each person who has been a director during the period and to the date of this report are:

Alex Varley  
Holly Raiche  
Aaron Davis  
Kyle Miers  
Nan Bosler  
Len Blytheway  
Professor Gerard Goggin  
Catriona Lowe  
Sue Salthouse

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

**Company Secretary**

The following person held the position of entity secretary at the end of the financial period:

Teresa Corbin, has been in office since the start of the financial period

**Principal Activities**

The principal activity of the entity during the financial period was:

ACCAN is the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards availability, accessibility and affordability of communications services for all Australians. Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

No significant changes in the nature of the entity's activity occurred during the financial period.

**Operating Results**

The surplus of the entity amounted to \$185,832.

**Review of Operations**

The entity was incorporated on 15 October 2008. During the period since incorporation the entity finalised establishment and initial research activities during the financial period

**After Balance Date Events**

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

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**DIRECTORS' REPORT**

**Future Developments**

The entity has finalised the first year establishment phase, the present status and level of operations are anticipated to increase significantly with the recruitment of employees, the receipt of grants and the acquittal of those grants through various programs and projects.

**Environmental Issues**

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Information on Directors**

Alex Varley	—	Chairperson
Experience	—	CEO Media Access Australia
Holly Raiche	—	Deputy Chairperson
Experience	—	Executive Director Internet Society Of Australia, Director of
Aaron Davis	—	Treasurer
Experience	—	Indigenous Consumer Assistance Network. CEO of ICAN
Kyle Miers	—	Secretary
Experience	—	President of Deaf Aust., Manager, National Information and Projects with Deaf Children, Founding member of Australia Federation of Disability Organisations.
Nan Bosler	—	Director
Experience	—	Australia Seniors Computer Clubs Association. Director of Consumers' Telecommunications Network (CTN). Founding President ASCCA
Len Blytheway	—	Director
Experience	—	CEO ACT for Kids, Deputy Chair CTN
Professor Gerard Goggin	—	Director
Experience	—	Professor of Digital Communication, Deputy Director Journalism and Media Research Centre, UNSW
Catriona Lowe	—	Director
Experience	—	Co-CEO, Consumer Action Law Centre and Chair Consumers Federation of Australia
Sue Salthouse	—	Director
Experience	—	Director Didactic Enterprise, Chair of the Communications Alliance Disability Council

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**DIRECTORS' REPORT**

**Meetings of Directors**

During the financial period, 3 meetings of directors were held. Attendees by each director were as follows:

	Directors Meetings	
	Number eligible to attend	Number attended
Alex Varley	3	3
Holly Raiche	3	3
Aaron Davis	3	3
Kyle Miers	3	2
Nan Bosler	3	3
Len Blytheway	3	3
Professor Gerard Goggin	3	3
Catriona Lowe	3	3
Sue Salthouse	3	3

**Indemnifying Officers or Auditor**

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

**Proceedings on Behalf of the Entity**

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.


The entity was not a party to any such proceedings during the period.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the period ended 30 June 2009 has been received and can be found on page 4 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director

  
Alex Varley

Dated this

7<sup>th</sup> day of October 2009

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF**  
**THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm                    Meagher Howard & Wright

Name of Partner                K J Wright

Date                                30/09/2009

Address                            Level 5, 55 Grafton St  
Bondi Junction NSW 2022

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009**

	Note	2009
		\$
Revenue	2	703,650
Other income	2	355
Employee benefits expense	3	(48,887)
Depreciation and amortisation	3	(2,308)
Audit, legal and consultancy expense		(35,544)
Administration expenses		(214,300)
Other expenses		(217,134)
Surplus before income tax	2	185,832
Surplus after income tax		185,832

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**BALANCE SHEET AS AT 30 JUNE 2009**

	Note	2009 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4	18,353
Trade and other receivables	5	114,456
Other assets	6	1,031
<b>TOTAL CURRENT ASSETS</b>		<u>133,840</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7	101,347
Intangible assets	8	29,099
<b>TOTAL NON-CURRENT ASSETS</b>		<u>130,446</u>
<b>TOTAL ASSETS</b>		<u>264,286</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	9	78,454
<b>TOTAL CURRENT LIABILITIES</b>		<u>78,454</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>78,454</u>
<b>NET ASSETS</b>		<u>185,832</u>
<b>EQUITY</b>		
Retained earnings		185,832
Reserves		-
<b>TOTAL EQUITY</b>		<u>185,832</u>

AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED  
ABN: 42 133 719 678  
STATEMENT OF RECOGNISED INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings	Total
	\$	\$
<b>Balance at 30 June 2008</b>	-	-
Surplus attributable to the entity	185,832	185,832
<b>Balance at 30 June 2009</b>	<u>185,832</u>	<u>185,832</u>



**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009**

	<b>Note</b>	2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipt of Grants		715,000
Other receipts		391
Payments to suppliers and employees		(567,764)
Interest received		3,517
Finance costs		(37)
Net cash provided from operating activities	10(b)	<u>151,107</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment		<u>(132,754)</u>
Net cash provided in investing activities		<u>(132,754)</u>
Net increase in cash held		18,353
Cash at the beginning of the financial year		-
Cash at the end of the financial year	10(a)	<u><u>18,353</u></u>

AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED ABN: 42 133 719 678  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

The financial report is for Australian Communications Consumer Action Network Limited as an individual entity, incorporated and domiciled in Australia. Australian Communications Consumer Action Network Limited is a company limited by guarantee.

**Note 1 Statement of Significant Accounting Policies**

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report AASB containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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.

**Accounting Policies**

**(a) Revenue**

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

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Australian Communications Consumer Action Network Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

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

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

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

**(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

**Furniture and equipment**

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

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

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. 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 & Equipment	10-25%
Leasehold improvements	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (c) Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

#### (d) Financial Instruments

##### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### (ii) Loans and receivables

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

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

#### (e) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(f) **Cash and Cash Equivalents**

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

(h) **Goods and Services Tax (GST)**

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

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

(i) **Income Tax**

The entity is a non taxable entity

(j) **Intangibles**

**Software**

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of 4 years. It is assessed annually for impairment.

(k) **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(l) **Economic Dependence**

Australian Communications Consumer Action Network Limited is dependent on the Department of Broadband Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Australian Communications Consumer Action Network

(m) **New Accounting Standards for application in future periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:-

- AASB 2008-11: Amendments to Australian Accounting Standard – Business Combinations among Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements in AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

The Company does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the Company's financial statements.

AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED ABN: 42 133 719 678  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2009

**Note 2 Revenue and Other Income**

	Note	2009 \$
<b>Revenue from Government Grants and Other Grants</b>		
— Federal government grants		700,000
		<u>700,000</u>
<b>Other Revenue</b>		
Interest received	2b	3,650
		<u>3,650</u>
<b>Total Revenue</b>		<u>703,650</u>
<b>Other Income</b>		
Membership Fees		355
<b>Total Other Income</b>		<u>355</u>
<b>Total Revenue and Other Income</b>		<u><u>704,005</u></u>

**Note 3 Surplus for the Year**

		2009 \$
<b>(a) Expenses</b>		
Depreciation and Amortisation		
— furniture and equipment		1,572
— software		736
<b>Total Depreciation and Amortisation</b>		<u>2,308</u>
Auditor Remuneration		
— audit services		7,500
<b>Total Audit Remuneration</b>		<u>7,500</u>

**Note 4 Cash and Cash Equivalents**

		2009 \$
<b>CURRENT</b>		
Cash at bank		18,353
Cash on hand		-
		<u>18,353</u>

**Note 5 Trade and Other Receivables**

	Note	2009 \$
<b>CURRENT</b>		
Trade receivables		55,000
Provision for impairment	5(i)	-
		<u>55,000</u>
Other receivables		59,456
<b>Total current trade and other receivables</b>		<u><u>114,456</u></u>

**Credit risk - Trade and Other Receivables**

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue) <30
<b>2009</b>	\$	\$	\$
Trade and term receivables	55,000	-	55,000
Other receivables			
<b>Total</b>	<u>55,000</u>	-	<u>55,000</u>

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

**Note 6 Other Assets**

	2009
	\$
<b>CURRENT</b>	
Prepayments	1,031
	<u>1,031</u>

**Note 7 Property, Plant and Equipment**

	2009
	\$
<b>FURNITURE AND EQUIPMENT</b>	
Furniture and equipment	
At cost	92,227
Less accumulated depreciation	(1,465)
Less accumulated impairment losses	-
	<u>90,762</u>
	-
Leasehold Improvements at cost	10,692
Amortisation	(107)
Total plant and equipment	<u>101,347</u>
Total property, plant and equipment	<u>101,347</u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture and Equipment \$
<b>2009</b>	
Balance at the beginning of the year	-
Additions at cost	102,919
Additions at fair value	-
Disposals	-
Depreciation expense	(1,572)
Carrying amount at end of year	<u>101,347</u>

**Note 8 Intangibles**

	2009
	\$
Computer software	
Cost	29,835
Accumulated amortisation	<u>(736)</u>
Net carrying value	<u>29,099</u>
	Computer software
	\$
<b>2009</b>	
Balance at the beginning of the year	-
Additions	29,835
Disposals	-
Amortisation charge	(736)
Impairment losses	-
	<u>29,099</u>

**Note 9 Trade and Other Payables**

	2009
	\$
<b>CURRENT</b>	
Trade payables	73,419
Other current payables	<u>5,035</u>
	<u>78,454</u>
	9(a)

**Note 10 Cash Flow Information**

	2009
	\$
<b>(a) Reconciliation of cash</b>	
Cash at bank	18,353
Other cash	<u>18,353</u>
	4
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>	
Net Surplus	185,832
Non cash flows	
Depreciation and amortisation	2,308
Change in assets and liabilities	
(Increase)/decrease in trade and other receivables	(114,456)
Increase/(decrease) in trade and other payables	78,454
(Increase)/decrease in prepayments	<u>(1,031)</u>
	<u>151,107</u>

**Note 11 Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2009
	\$
<b>Financial Assets</b>	
Cash and cash equivalents	4
Loans and receivables	5
	<u>132,809</u>
<b>Financial Liabilities</b>	
Financial liabilities at amortised cost	
— Trade and other payables	9(a)
	<u>78,454</u>
	<u>78,454</u>



### Financial Risk Management Policies

Consisting of senior committee members, the finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

### Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### a Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities

### Financial liability and financial asset maturity analysis

	Within 1 Year 2009 \$	Total 2009 \$
<b>Financial liabilities due for payment</b>		
Trade and other payables (excl. est. annual leave and deferred income)	<u>78,454</u>	<u>78,454</u>
<b>Total expected outflows</b>	<u>78,454</u>	<u>78,454</u>
	Within 1 Year 2009 \$	Total 2009 \$
<b>Financial Assets - cash flows realisable</b>		
Cash and cash equivalents	18,353	18,353
Trade, term and loans receivables	<u>114,456</u>	<u>114,456</u>
<b>Total anticipated inflows</b>	<u>132,809</u>	<u>132,809</u>
<b>Net (outflow) / inflow on financial instruments</b>	<u>54,355</u>	<u>54,355</u>

**b Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the committee has otherwise cleared as being financially sound.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5.

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

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counter parties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counter party credit ratings.

	Note	2009 \$
Cash and cash equivalents		
- AA Rated	4	<u>18,353</u>
		<u>18,353</u>

**Note 13 Entity Details**

The registered office of the entity is:  
 Australian Communications Consumer Action Network Limited  
 Suite 402, 55 Mountain St  
 Ultimo NSW 2007

The principal place of business is:  
 Australian Communications Consumer Action Network Limited  
 Level 4  
 55 Mountain St  
 Ultimo NSW 2007

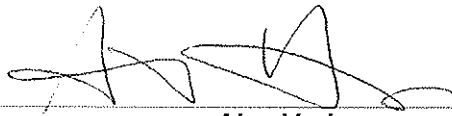
**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**DIRECTORS' DECLARATION**

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 3 to 17, are in accordance with the Corporations Act 2001:
  - (a) comply with Australian Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the period ended on that date of
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due

This declaration is made in accordance with a resolution of the Board of

Director



**Alex Varley**

Dated this

*7<sup>th</sup>* day of *October*

2009

**PARTNERS**

K.J. WRIGHT J.P. M.Com. F.C.P.A.  
G. MIDDLETON B.Comm. DIP.FP.CA

**FINANCIAL PLANNING**

M. MAYCOCK ACIB

**CONSULTANTS**

L.J. HOWARD O.A.M. J.P. B.Ec. F.C.P.A.  
R.W. MEAGHER F.C.P.A.

Suite 506  
55 Grafton Street  
Bondi Junction NSW 2022

PO Box 653  
Bondi Junction NSW 1355

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED ABN:  
42 133 719 678  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**

We have audited the accompanying financial report of Australian Communications Consumer Action Network Limited, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the period ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*The responsibility of the Directors for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Australian Communications Consumer Action Network Limited on [insert date], would be in the same terms if provided to the directors as at the date of this auditor's report.



**PARTNERS**

K.J. WRIGHT J.P. M.Com. F.C.P.A.  
G. MIDDLETON B.Comm. DIP.FP.CA

**FINANCIAL PLANNING**

M. MAYCOCK ACIB

**CONSULTANTS**

L.J. HOWARD O.A.M. J.P. B. Ec. F.C.P.A.  
R.W. MEAGHER F.C.P.A.

Suite 506  
55 Grafton Street  
Bondi Junction NSW 2022


PO Box 653  
Bondi Junction NSW 1355

**AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED**  
**ABN: 42 133 719 678**  
**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF**  
**THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm Meagher Howard & Wright

Name of Partner   
K J Wright

Date 07/10/2009

Address Level 5, 55 Grafton St

Bondi Junction NSW 2022

*Auditor's Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Australian Communications Consumer Action Network Limited as of 30 June 2009, and of its financial performance and its cash flows for the period then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations).

Name of Firm: Meagher Howard & Wright

Name of Partner: K J Wright



Address: Suite 505, 55 Grafton St Bondi Junction NSW

Dated this

7

day of

October

2009





**Australian Communications  
Consumer Action Network**