

Australian Communications  
Consumer Action Network

aacan



**2011-2012**  
Annual Report

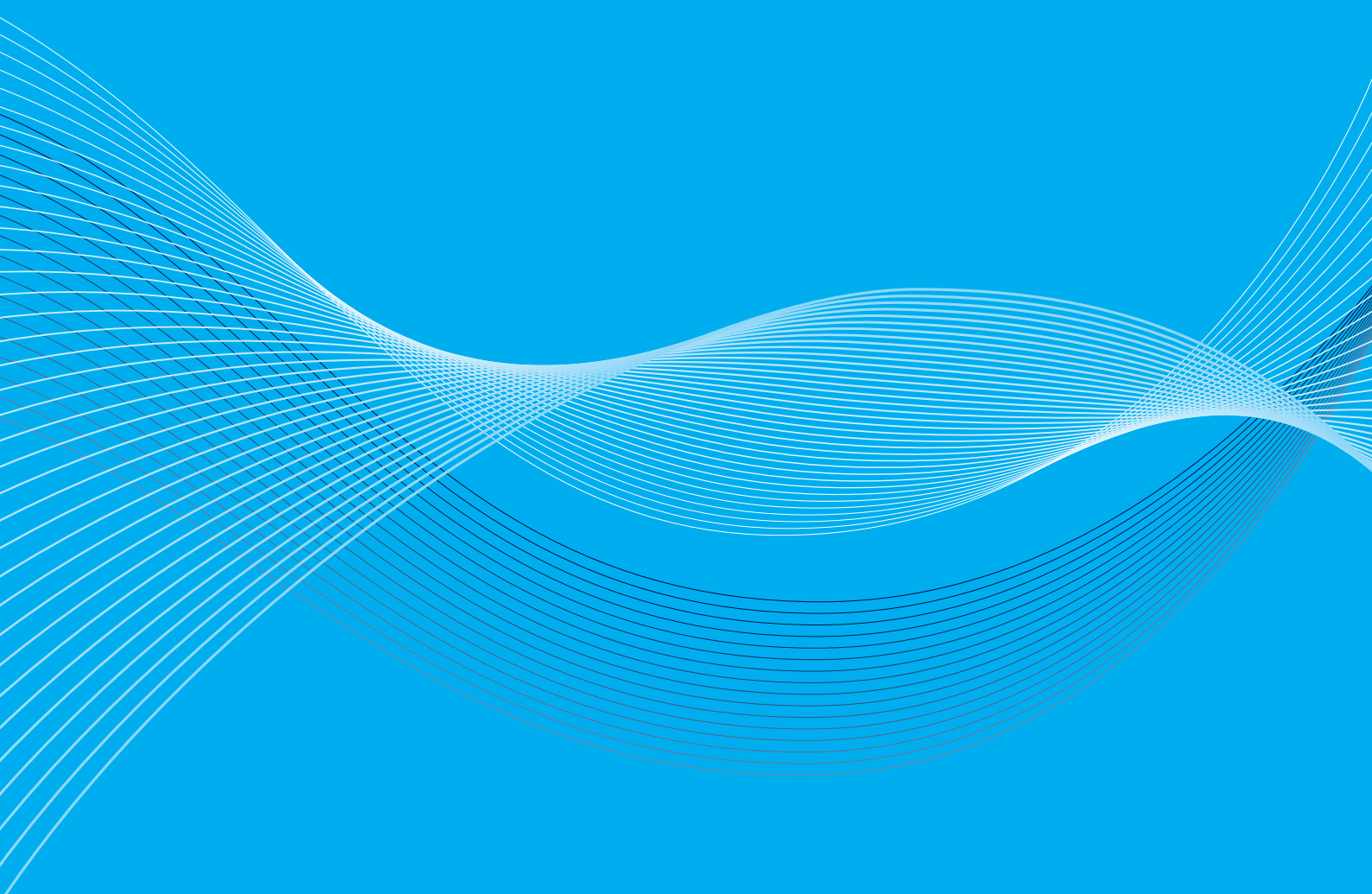
Australian Communications Consumer Action Network Limited (ACCAN)

ABN 42 133 719 678

Annual Financial Report

ISSN 1838-5397

For The Year Ended 30 June 2012



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# Contents



2	About ACCAN
3	Chair Report
4	Highlights
5	CEO Overview
6	Policy and Campaigns
8	Committees
9	Consumer Awareness
10	Submissions
11	Publications
12	Grants
15	Financial Report

# About ACCAN

## Our organisation

The Australian Communications Consumer Action Network (ACCAN) is Australia's peak body for consumer representation and advocacy in communications. We represent residential consumers and small business including not-for profit organisations in so far as they are consumers. ACCAN focuses on goods and services encompassed by the converging areas of telecommunications, the internet and broadcasting, including both current and emerging technologies.

The operation of ACCAN is made possible by funding provided by the Commonwealth of Australia under section 593 of the *Telecommunications Act* (1997). This funding is recovered from charges on telecommunications carriers.

## Our mission

ACCAN's mission is to:

- Campaign for consumers and the public interest, with particular emphasis on the needs of consumers for whom the market is not working.
- Inspire, inform, enable and equip consumers to act in their own interests.
- Research emerging consumer and technology issues.

## Our values

As an organisation we will:

- Act with courage, integrity and honesty.
- Operate efficiently, effectively and ethically.
- Value diversity and demonstrate best practice in inclusion and accessibility in our work.
- Value volunteers, staff and members for their crucial role in our work.
- Recognise that building constructive relationships with members, our community, industry, regulators, and government is critical to achieving our mission.

PHOTO BY Richard Van Der Male



Telecommunications are changing fast.  
It's important that consumers are well represented in this vital sector.

# Chair Report



“ACCAN’s funding model, institutional structure and the professionalism of its operations could even be seen as a model for community and consumer organisations in other fields.”

I am proud to say that in the past year ACCAN has continued to establish itself firmly as an integral and constructive part of the communications industry landscape.

ACCAN ends its third year with confidence having successfully negotiated a new agreement with the Commonwealth which provides for funding until 2017.

Under the funding agreement, ACCAN will continue to receive \$2 million per annum from the Commonwealth under Section 593 of the *Telecommunications Act 1997* – a sum which is recouped from telecommunications carriers under the *Telecommunications (Carrier Licence Charges) Act 1997*.

Considering the financial cutbacks experienced by many organisations in recent months, this is a remarkable achievement which recognises the valuable role which ACCAN plays for consumers.

It also places a responsibility on ACCAN to be an example to others in the community and consumer sector.

ACCAN’s Annual General Meeting in November 2011 saw two new additions to the Board. Veteran industry expert Holly Raiche along with Carmen Daniels,

co-founder of the Indigenous Consumer Assistance Network Ltd (ICAN), joined seven returned or ongoing Directors. I sincerely thank Ross Kelso and Kate Obermayer for their excellent service as Directors on the previous years’ Board.

One of the important decisions taken by the Board early in 2012 was the adoption of a robust corporate partnership policy to ensure that collaborations between ACCAN and industry properly serve the interests of consumers and do not compromise our reputation for fearless and independent advocacy. Another important step has been the completion by the Board of a review of ACCAN’s Strategic Plan which has seen a useful tightening of our focus on the best ways and means to serve consumers.

I thank the ACCAN staff for their continued professionalism and dedication and in particular acknowledge the leadership of our Chief Executive Officer Teresa Corbin.

I commend the Annual Report to all members and stakeholders – it reminds us all of the significant gains for consumers that ACCAN has achieved in the short period of its existence.

**Professor Michael Fraser AM**  
Chair, ACCAN Board

# 2011-12 Highlights

ACCAN achieved some significant outcomes for Australian telecommunications consumers in 2011-12. Here are some of the achievements we're most proud of.

ACCAN had two representatives on the Steering Committee overseeing the revision of the Telecommunications Consumer Protections (TCP) Code, who negotiated with industry to deliver stronger consumer protections in the final version of the TCP Code.

As a result of our Fair Calls For All campaign, the ACMA has committed to making calls from mobile phones to 1800 numbers free and 13 numbers a low fixed charge from 1st January 2015.

Our submission regarding the Telecommunications Industry Ombudsman (TIO) was influential in a number of recommendations in the final DBCDE report, including a move to a unitary governance structure that includes equal consumer and industry representation.

ACCAN's policy, campaigns and communications team presented at a number of national and international conferences, including the OECD's Committee on Consumer Policy in France by ACCAN Director of Policy & Campaigns Elissa Freeman.

Based on ACCAN recommendations, NBN Co has introduced a formal, regular consumer group consultation process to ensure consumer needs are represented as the National Broadband Network is rolled out.

The lobbying of ACCAN and its members led to the amendment of the Broadcasting Services Act to include increased television captioning requirements and improved captioning quality standards.

We were honoured to receive the 2011 Organisation of the Year Award at the Australian Sign Language Interpreters' Association (ASLIA) NSW and Deaf Australia (NSW) Awards ceremony.

Research and how-to guides funded through the ACCAN Grants Scheme and produced by Media Access Australia helped to make Facebook, LinkedIn, Twitter and other social media tools more accessible for people with disability.

The *Mobile Matters* report by the Brotherhood of St Lawrence, funded by the ACCAN Grants Scheme, involved over 100 students from Melbourne who conducted peer research into youth use of mobile phones and created student advocacy projects. The project culminated in a presentation day at Melbourne Town Hall to the Telecommunications Industry Ombudsman, industry, peers and community members.

# CEO Overview



**“ACCAN’s greatest success is that as a peak body we have united and amplified consumer voices to improve access to communications in Australia.”**

This year, ACCAN has delivered on the goal of providing a stronger, more co-ordinated consumer voice to balance industry perspectives in the communications sector. In the three years since being incorporated we have built an evidence base for consumer advocacy, established a well-regarded grants scheme and developed policy positions which are backed by co-ordinated consultation. We have also made over 100 submissions to government and regulatory inquiries.

In 2011-12 ACCAN underwent a Mid-term Review conducted by the Department of Broadband, Communications and the Digital Economy. More than 25 submissions were made by a range of our stakeholders including industry, our members, regulatory authorities and other consumer organisations. The Review found that ACCAN has established itself as a well-regarded and effective organisation representing the interests of consumers in the telecommunications sector. Importantly, all submissions to the Review supported the ongoing operation of ACCAN.

Many of ACCAN’s successes cannot be attributed to ACCAN’s efforts alone but to a suite of people and organisations that make each achievement possible. 2012 saw the completion of two years working with industry body Communications Alliance to deliver a much stronger Telecommunications Consumer

Protections (TCP) Code. The Code contains significant improvements that will greatly assist customers choose the right product for them through clearer advertising, the introduction of usage notification requirements, and better complaint handling processes.

While it is important for every organisation to take time to celebrate its successes, as a consumer organisation we are always looking to the next issue affecting consumers, the next campaign – the areas in which we see consumers are suffering the most detriment.

We’re currently working on issues as broad as cloud computing, copyright and comparative pricing of IT products in Australia and overseas. We are conducting research into the needs of small business, investigating perennial problem products such as international calling cards, silent-line charging, improvements that will result in quality captions for television broadcasts and mobile coverage issues for regional consumers.

All of ACCAN’s achievements over the past year that are outlined in this annual report have been built on the advice, interests and experience of ACCAN members who are at the core of what we do. We thank you for supporting our work and for your valuable contribution.

Finally I must thank both my staff team and the Board for their support and tireless efforts over the past year. It is an enormous privilege to work with so many committed people to achieve better outcomes for all communications consumers.

**Teresa Corbin**  
Chief Executive Officer, ACCAN

# Policy and Campaigns



The 2011-12 period has been an extraordinarily demanding one. We have made the consumer voice heard on topics as diverse as payphone removal policies and Telstra retail price controls, to big picture issues like the Convergence Review and the reform of the Universal Service Obligation (USO).

The cascade of regulatory reforms that came about as a result of the NBN, including the establishment of the new Telecommunications Universal Service Management Agency (TUSMA), are now behind us and along the way ACCAN made many submissions that helped to put consumers at the forefront of government thinking.

At the same time we contributed to the Australian Competition and Consumer Commission's consultations on the change-over from the Telstra copper network to NBN Co's fibre network. The "migration plan" and Telstra's "structural separation undertaking" represent a big change that will ultimately affect all Australians and ACCAN has been there every step of the way ensuring that the public isn't forgotten amidst the deal making.

We are actively involved in NBN rollout issues that are of concern to consumers such as the provision of

backup batteries and the accessibility and design of the NBN box that will soon be going into millions of homes.

The marathon review of the Telecommunications Consumer Protections Code and the finalisation of a new Code proved what ACCAN advocacy can achieve. The last year saw ACCAN holding regulators to their promises of improved protection from industry on the issues of advertising clarity, pre-sale information, complaint handling and expenditure management and scoring wins in the new Code that are there in black and white for everyone to see.

Meanwhile, we continued our active and dynamic advocacy to improve accessibility to communications services for people with disability. We consulted effectively and widely on the Federal Government's Review of Access to Telecommunications by People with Disability, Older Australians and People Experiencing Illness, resulting in a powerful submission that will guide policy into the future. Our liaison with key stakeholders led to a united position statement on mobile access to emergency services for people with disability, while our work with the National Relay Service Consultative Committee resulted in the prioritisation of 000 emergency calls, improvements to the internet relay service and connection to local services for NRS users calling 1800 and 1300 numbers.



# 13/1800 number reform

We also celebrated big wins with changes to the *Broadcasting Services Act* (1992) which will mean increases in and improvements to television captioning, while our work with government to ensure blind low-income consumers are not left behind in the switch to digital television has resulted in the provision of talking set-top boxes to this group.

Our focus in regional telecommunications over the year was on three main areas – mobile coverage, the communications needs of Aboriginal and Torres Strait Islanders, and other consumer and small business issues. We made a substantial contribution to the work of the Sinclair Review into regional telecommunications; with 15 of the recommendations highlighting key actions to improve the deal regional communities are currently getting from government and the telecommunications industry.

The policy team here at ACCAN has worked hard to achieve these significant gains for consumers over the year, and to ensure we remain a key part of the conversation in our communications future. We look forward to an equally challenging year ahead that builds on our past gains.

**Una Lawrence**  
Acting Director, Policy & Campaigns



From 1 January 2015 Australians will be able to call 13 and 1800 numbers from mobile phones for the same price as they would from a landline service. Currently, “freephone” 1800 calls can cost mobile users over \$1 per minute and 13 calls are charged at similar rates.

After ACCAN launched its Fair Calls For All campaign in 2011, we recruited over 70 organisations and 1000 individuals to our cause. Supporters wrote letters, sent emails, contacted telecommunications providers and MPs and even joined us for special events with our campaign superhero, Number Woman.

In April 2012 the Australian Communications & Media Authority (ACMA) made an in-principal decision that from 1 January 2015 calls to 1800/13 numbers from mobile phones will be free or the cost of a local call. This exciting announcement was the result of over 18 months of campaigning by Fair Calls For All supporters.

Watch a video about how Fair Calls For All has helped communications consumers at: [www.accan.org.au/numberwoman](http://www.accan.org.au/numberwoman)

# Committees

Members of the ACCAN team represent consumers on a range of government, industry and regulatory committees.

- **Consumer Consultative Forum** – Australian Communications and Media Authority
- **Closed Caption Committee** – Australian Communications and Media Authority
- **Emergency Call Services Advisory Committee** – Australian Communications and Media Authority
- **Numbering Advisory Committee** – Australian Communications and Media Authority
- **National Relay Service Consumer Consultative Committee** – Australian Communications Exchange
- **Consumer Consultative Committee** – Australian Competition and Consumer Commission
- **Infrastructure Consultative Committee** – Australian Competition and Consumer Commission
- **Electromagnetic Energy Reference Group** – Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- **Executive Committee** – Consumers' Federation of Australia
- **Consumer Expert Group** – Digital Switchover Taskforce
- **Consumer Stakeholder Group** – NBN Co – NBN Public Information Material
- **National Standing Committee on Cloud Computing** – Global Access Partners
- **Consumer Liaison Forum** – Optus
- **038 Distributed Application Platform and Services** – Standards Australia IT
- **Joint Technical Committee 1 Standing Advisory Group** – Standards Australia
- **Telstra Disability Forum** – Telstra
- **Council** – Telecommunications Industry Ombudsman
- **Board & Council Transition Committee** – Telecommunications Industry Ombudsman

## Standing Advisory Committee Consumer Affairs

- **Johanna Plante** – Chair (ACCAN Board member)
- **Andrew Crouch** – Centre for Appropriate Technology
- **Karen Ness** – Northern Rivers Community Legal Centre
- **Ian Butterworth**
- **Jo Benvenuti** – Consumer Utilities Advocacy Centre
- **John Wood**
- **Loretta Kreet**
- **Rachel Milfull** – Financial Counselling Australia
- **Victoria Rubensohn**

## Standing Advisory Committee Disability Issues

- **Kyle Miers** – Chair (ACCAN Board member)
- **Scott Hollier** – Media Access Australia
- **Andrew Stewart** – Deafness Forum
- **Lachlan Hazelton** – Physical Disability Council NSW
- **Denise Wood** – University of South Australia
- **Kim Curtis**
- **David Parker** – Deaf Australia (resigned October 2011)
- **Cathy Clark** – Deaf Australia (appointed January 2012)
- **Nick Rushworth** – Brain Injury Australia (resigned April 2012)
- **Hank Wyllie**

# Consumer Awareness



Over the past two years ACCAN has endeavoured to raise its profile as the peak communications advocate for all Australian consumers. Importantly, we are increasingly recognised as a 'go to' point for reliable consumer communications information.

We communicate with various audiences in many different ways. We have had an average of 4,437 visitors to our website per month over the past year and numerous hits on our YouTube channel. ACCAN is also actively engaged in communicating via Twitter, with around 1,200 followers.

We have also developed a significant media profile with an average of 60 interviews per month. ACCAN routinely shares its content, including our popular tip sheets, with the mainstream media in order to reach large numbers of consumers. Television interviews with our spokespeople garner the biggest audiences, whereas online news sites generate the most traffic to our website, which offers consumers more detailed information.

In 2011-12 there has been a high level of media and public interest on a range of consumer-related telecommunications issues, including bill shock, high-profile privacy breaches, record complaint numbers to the Telecommunications Industry Ombudsman, the National Broadband Network, and increasingly, issues like global roaming and in-app purchases.

In 2011 we launched our first issue of ACCAN Magazine, a quarterly publication featuring news,



consumer tips, interviews with key industry figures, member profiles, and information about our grants and policy work. Each issue of ACCAN Magazine is centred on a different area of telecommunications: The Numbers Game (Winter 2011) on 13/1800 numbering arrangements; Our Broadband Future (Spring 2011) on various broadband issues; Bush Telegraph (Summer 2012) on regional and remote telecommunications; and Access All Areas (Autumn 2012) on accessibility issues.

We continue to try to find new channels and new ways of reaching different audiences. It remains our firm belief that there's no point in consumers having rights if they don't know about them, and we remain committed to finding ways to ensure that they do.

**Elise Davidson**  
**Media & Communications Manager**

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# Submissions

ACCAN's policy team made a number of submissions to government, regulatory and other inquiries in 2011-2013. All of our submissions can be found in full online at: [accan.org.au/submissions](http://accan.org.au/submissions)

## April 2012

- NBN Co, Joint Parliamentary Committee on the NBN, 27 April 2012
- ACCC, NBN Co Special Access Undertaking, 27 April 2012
- ASTRA, Subscription Broadcast Television: Codes of Practice 2012, 27 April 2012

## March 2012

- ACMA, The Future Technical Evolution of Digital Terrestrial Television, 30 March 2012
- Attorney General's Department, National Human Rights Action Plan, 13 March 2012

## February 2012

- Department of Immigration and Citizenship, Access and Equity Inquiry, 19 February 2012
- ACMA, Telephone Numbering: Future Directions, 29 February 2012

## January 2012

- ACMA, Guidelines for Payphone Removal and Location Decisions, 18 January 2012
- Attorney General's Department, Inclusive Communication Guidelines for Emergency Matters, 18 January 2012

## December 2011

- Regional Telecommunications Independent Review Committee, Regional Telecommunications Review, 20 December 2011
- DBCDE, Review of the Integrated Public Number Database, 20 December 2011
- Senate Environment and Communications Committee Inquiry, TUSMA Bills, 9 December 2011
- DBCDE, Review of Telstra retail price controls, 9 December 2011
- DBCDE, ACCAN Mid-Term Review, 2 December 2011
- Communications Alliance, Response to Draft TCP Code
- ACMA, Numbering: Calls to freephone and local rate numbers, the way forward, 1 December 2011

## November 2011

- ACMA, Payphone Record-Keeping Rules, 4 November 2011
- DBCDE, Convergence Review, 4 November, 2011

## October 2011

- Communications Alliance, Mobile Premium Services Code Review, 13 October 2011
- ACCC, NBN-Optus HFC Agreement, 10 October 2011
- ACCC, Telstra's Structural Separation Undertaking, 4 October 2011
- DBCDE, Payphones: Consumer Safeguard Instruments, 3 October 2011
- Attorney General's Department, Response to the Draft Human Rights Baseline Study

## September 2011

- DBCDE, Review of Access to Telecommunications Services by People with Disability, Older Australians and People Experiencing Illness, 2 September 2011

## August 2011

- DBCDE, Digital hubs draft program guidelines, 30 August 2011
- DBCDE, Discussion Paper on Universal Service Obligation Legislative Reform for Transition to the National Broadband Network, 16 August 2011
- House of Representatives Standing Committee on Social Policy and Legal Affairs, Inquiry into the operation of the insurance industry during disaster events, 12 August 2011

## July 2011

- ACCC, Domestic Mobile Terminating Access Service, 27 July 2011
- ACMA, Reconnecting the Customer draft report, July 2011
- ACMA, Numbering consultation paper 4, 6 July 2011

## Position Statements

- Access for People with Disability to Emergency Calls, 4 November 2011
- ICT Procurement, 29 August 2011

# Publications

Footscray Community Legal Centre, 2012. *Phones and the Internet: Your Rights in Australia* A community education program for refugees and new migrants, Australian Communications Consumer Action Network, Sydney.

Tibben, W. J. and Astbrink, G. 2012, *Accessible Communications: Tapping the potential in public ICT procurement policy*, Australian Communications Consumer Action Network, Sydney.

Greenstock, L., Naccarella, L., Woodward Kron, R., Elliott, K., Bingham, A., Kelly, P., Fraser, C., and Wickham, B., Australian Health Workforce Institute and General Practice Victoria, 2012. *Telecommunications and Health Information for Multicultural Australia*, Australian Communications Consumer Action Network, Sydney.

Hillier, S., Media Access Australia 2012. *Sociability: social media for people with a disability*, Australian Communications Consumer Action Network, Sydney.

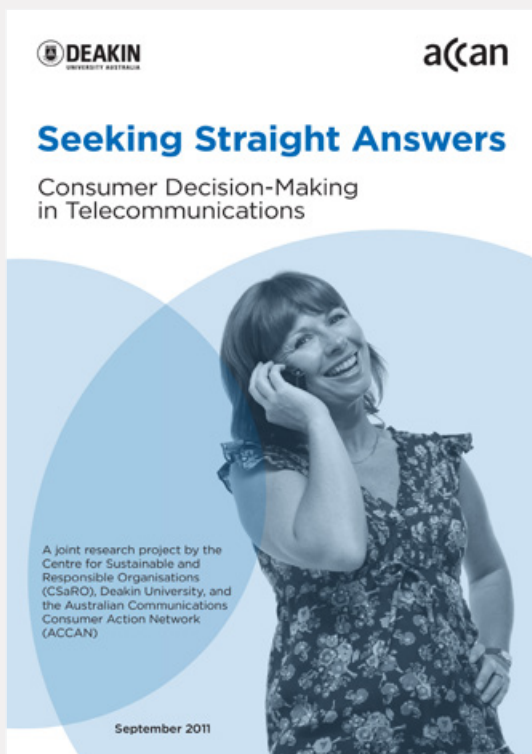
ACCAN, 2012. (updated) *NBN: A Guide for Consumers*, Australian Communications Consumer Action Network, Sydney.

Fieldgrass, Leo. Brotherhood of St Laurence, 2011, *Mobile Matters: The Youth Advocates Project. Developing a youth participatory action research and advocacy program*, Australian Communications Consumer Action Network, Sydney.

Deakin University 2011, *Seeking Straight Answers: Consumer Decision-Making in Telecommunications*, Australian Communications and Consumer Action Network, Sydney.

Leung, L. 2011. *Mind the Gap: refugees and communications technology literacy*, Australian Communications Consumer Action Network, Sydney.

Novita Children's Services 2011, *The Newell Network: Telecommunication solutions for people with complex communication needs*, Australian Communications Consumer Action Network, Sydney.



# Grants



The ACCAN Grants Scheme continues to grow in strength. We are committed to ensuring the continuing high quality of this scheme by conducting regular reviews and working closely with applicants to promote research rigour as well as impact within the advocacy and education spheres.

The 2012 round received 75 applications, of which 58 were eligible for assessment by the Independent Grants Panel. Application and preliminary assessment processes are now completed online, with positive feedback from applicants and Panel members regarding the support provided.

Five grant projects were completed over the year providing direct education and advocacy tools, as well as adding to our research base. Educational materials targeting refugee groups, who are often experiencing

telephone contracts for the first time, have been produced and distributed across community legal centres. Cyberbullying workshops were conducted for the first time in remote NSW schools in a culturally appropriate way. Our research base has been enhanced with an investigatory study on the use of telecommunications by low-income migrant communities in accessing health services, as well as a comprehensive benchmarking study on OECD government policies on the acquisition of ICT goods and services that are usable by people with disability. A comparison of popular social media systems was made to determine how suitable they are for people with disability, with many found to be seriously deficient. To counteract this, a series of helpful – and very popular – guides have been produced and distributed (see Sociability, page 13).

**Narelle Clark**  
Director of Operations – Deputy CEO

## Grants Scheme projects completed in 2011-2012

- Sociability: Social Media for People with a Disability conducted by Media Access Australia
- Telecommunications and Health Information for Multicultural Australia conducted by the Australian Health Workforce Institute
- Think B4 U Click Cyberbullying project by the Women's Legal Services NSW
- Phones and the Internet: Your Rights in Australia produced by the Footscray Community Legal Centre
- Accessible Communications: Tapping the potential in public ICT procurement policy by the University of Wollongong and GSA Consultants

# Sociability: social media for people with a disability

Social media is what allows anyone with an internet connection to publish their own content and connect with other people. Through it, we receive a wealth of information and interaction.

For people with a hearing, sight or mobility impairment, social media websites and applications can be difficult to use. In late 2011, Media Access Australia undertook research to determine how the accessibility issues found in each of the most popular social media tools can be overcome.

The Sociability: social media for people with a disability review aims to enable all users to have equal access to the inclusion which social media allows.



Australia's most popular social media tools were tested for their accessibility. Users with disability then contributed their tips and tricks on how to overcome each social network's inaccessible features.

This project was led by accessibility expert Dr Scott Hollier from Media Access Australia and supported through the ACCAN Grants Scheme.

The Sociability Guides have been distributed to disability organisations around Australia. They're also available online via - [accan.org.au/socialmediaguides](http://accan.org.au/socialmediaguides)

Anaise Buli, ICAN, and Erin Turner, ACCAN, on Thursday Island.



PHOTO BY Aaron Davis

## ICAN community linkages program

In 2012 ACCAN partnered with the Indigenous Consumers Assistance Network (ICAN) to conduct research into telecommunications issues Indigenous consumers are experiencing in Far North Queensland. As part of the project, we have been working closely with ICAN staff; travelling to the areas ICAN provides financial counselling services in order to document what's happening to consumers in remote parts of the country.

So far, ACCAN Policy and Campaigns Officer Erin Turner has visited ICAN financial counselling services in Cairns, Yarrabah and Thursday Island in the Torres Strait. The report will also include additional personal stories drawn directly from ICAN's casework and an outline of where further research may be needed. The report will be released later in 2012.

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# 2012 Financial Report

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Australian Communications Consumer Action Network Limited

ABN 42 133 719 678

## Contents

- 15** Directors' Report
- 20** Auditor's Independence Declaration
- 21** Statement of Comprehensive Income
- 22** Statement of Financial Position
- 23** Statement of Changes in Equity
- 24** Statement of Cash Flows
- 25** Notes to the Financial Statements
- 42** Directors' Declaration
- 43** Independent Auditor's Report



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# Financial Report

## Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

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### Directors' Report

Your Directors present their report together with the financial report of Australian Communications Consumer Action Network Limited ('the Company') for the financial year ended 30 June 2012 and the auditor's report thereon.

#### Directors

The Directors of the Company at any time during or since the end of the financial year are:

<i>Name</i>	<i>Qualifications and Experience</i>
Michael Fraser Chairperson	Professor of Law Director, Communications Law Centre, UTS President, Australian Copyright Council Chair, Stolen Generations Foundation President, Board of International PEN-Sydney Solicitor, Supreme Court of NSW AM, FAICD, BA (Hons), LLB (Hons) Director since 4 November 2009 Appointed Chairperson on 10 November 2010
Johanna Plante Deputy Chairperson	Volunteer Coordinator, TafeSA Education Training - Deaf (ETD) Programme and Auslan Programme Volunteer, TafeSA ETD Programme Chair, ACMA Co-regulatory Captioning Committee (2010/2011) Bachelor of Engineering (First Class Honours) Director since 10 November 2010 Deputy Chairperson since 10 November 2010
George Perry Treasurer	Director, Commercial & Finance, CHOICE Bachelor of Economics (Finance & Accounting) Director since 10 November 2010 Treasurer since 10 November 2010
Susan Salthouse Secretary	Director, Didactic Enterprises Member, Advance Personnel Board Member, Women in Adult & Vocational Education Board BAgSci, DipEd Director since 15 October 2008 Secretary since 9 November 2011
Kyle Miers Director	Manager, Community Relations - Deaf Children Australia Chairperson, ACCAN Standing Advisory Group on Disability Issues (2010 - current) Member, Optus Disability Advisory Group Member, Telstra Disability Advisory Group Director since 15 October 2008 Inaugural Secretary to 2009

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## Directors' Report

### Directors (continued)

<i>Name</i>	<i>Qualifications and Experience</i>
Katherine Lane Director	Principal Solicitor, Consumer Credit Legal Centre (NSW) Inc. BA LL.M Director since 10 November 2010
Alex Varley Director	Chief Executive, Media Access Australia Director, ASIX Director, ACC Enterprises Pty Ltd B.Business (Marketing) GradDip Urban Planning Director since 10 November 2010
Carmen Daniels Director	Research & Communications Manager, Co-founder, Indigenous Consumer Assistance Network Ltd Member, Consumer Consultative Committee, Australian Competition Consumer Commission (ACCC) Member, Indigenous Financial Services Network, Reconciliation Australia Accredited Member, Financial Counselling Association of Queensland (FACQ) Currently completing BA, Community Development Director since 9 November 2011
Harriet Raiche Director	Adjunct Lecturer, Faculty of Law, University of NSW Solicitor, Supreme Court of NSW Research Associate, Communications Law Centre Board Member, Australian Privacy Foundation Member Policy Committee, Internet Society of Australia Vice Chair, Asia Pacific At Large Regional Structure, ICANN BA and LL.M, George Washington University, Washington DC LLB, Faculty of Law, UNSW Deputy Chair, ACCAN from 5 August 2008 to 10 November 2010 Director since 9 November 2011
Katherine Obermayer Retired Director	Deputy Chair, Deafness Forum of Australia Online Content Manager, Zurich Financial Services BA (Comms) Director from 15 October 2008 to 9 November 2011 Secretary from 10 November 2010 to 9 November 2011
Douglas Kelso Retired Director	Consultant in Telecommunications and Broadcasting BEng (Hons), MEngSc, GradDip Media, Comms & IT Law, PhD Director from 4 November 2009 to 9 November 2011

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

# Financial Report

## Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

### Company Secretary

Ms Teresa Corbin was appointed to the position of Company Secretary in October 2008. She was the former Chief Executive Officer of Consumers' Telecommunications Network and has a Bachelor of Arts majoring in linguistics.

### Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors' of the Company during the financial year are:

Current Directors	Directors' Meetings	
	Meetings Eligible to Attend	Meetings Attended
Michael Fraser	5	5
Johanna Plante	5	5
George Perry	5	4
Susan Salthouse	5	5
Kyle Miers	5	3
Katherine Lane	5	5
Alex Varley	5	5
Carmen Daniels	3	3
Harriet Raiche	3	3
Katherine Obermayer	2	2
Douglas Kelso	2	2

### Committee Memberships

Committee	Members' for 2012	Members' for 2011
Finance & Audit	George Perry (chairperson) Alex Varley Michael Fraser	George Perry (chairperson) Alex Varley Michael Fraser
Membership	Susan Salthouse (chairperson) Katherine Lane Carmen Daniels	Katherine Obermayer (chairperson) Susan Salthouse Douglas Kelso
Remuneration & Performance	Michael Fraser George Perry	Michael Fraser George Perry
Governance & Constitution	Katherine Lane Johanna Plante Harriet Raiche	Katherine Lane Susan Salthouse Johanna Plante

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# Financial Report

## Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

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### Directors' Report

#### Principal Activities

The principal activity of the Company during the financial year was to be 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 Company's activity occurred during the financial year.

#### Operating Results

The surplus of the Company amounted to \$14,864 (2011: \$30,756).

#### 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.

#### Dividends

The Company's Constitution prohibits the payment of dividends to the Members of the Company.

The Company is limited by guarantee and does not issue shares or options to purchase shares.

#### Significant Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year.

#### Likely Developments

The Company will further develop the level of operations through the receipt of grants and the acquittal of those grants through various programs and projects.

No likely change in the Company's direction is projected.

#### Environmental Regulations

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

#### Indemnification of Officers or Auditor

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

#### Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## Directors' Report

### Auditor's Independence Declaration

The auditor's independence declaration is set out on page 20 and forms part of the Directors' report for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Board of Directors



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Michael Fraser  
Director



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Johanna Plante  
Director

Dated this 1<sup>st</sup> day of August 2012  
Sydney, NSW

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Auditor's Independence Declaration** **Under Section 307C of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2012 there has 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.

**MOSAIC AUDIT & CONSULTING**



**Vanessa Patricio**

Principal

Registered Company Auditor # 333315

Dated this 1<sup>st</sup> day of August 2012  
Sydney, NSW

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## **Statement of Comprehensive Income** **For The Year Ended 30 June 2012**

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
Revenue	2	<u>2,208,885</u>	<u>2,078,199</u>
Employee benefits expenses		(1,213,529)	(1,042,350)
Project and program expenses		(340,060)	(349,653)
Occupancy expenses		(159,551)	(146,835)
Conferences and events		(83,629)	(26,617)
Accommodation and travel		(67,821)	(76,138)
Depreciation and amortisation	3	(59,376)	(60,904)
Printing, postage and stationary		(54,632)	(41,248)
Training and development		(44,957)	(42,714)
Information technology		(42,635)	(46,914)
Audit, legal and accountancy fees		(17,865)	(18,663)
Marketing and advertising		(15,735)	(29,050)
Loss on disposal of intangible assets		(14,182)	-
Interest paid		(1,686)	(1,686)
Other expenses	3	<u>(78,363)</u>	<u>(164,671)</u>
Profit before income tax		14,864	30,756
Income tax expense	1(k)	<u>-</u>	<u>-</u>
Profit after income tax		<u>14,864</u>	<u>30,756</u>

The accompanying notes form part of these financial statements

# Financial Report

**Australian Communications Consumer Action Network Limited**  
A.B.N. 42 133 719 678

## Statement of Financial Position As At 30 June 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	532,883	427,346
Trade and other receivables	6	101,645	88,262
Prepayments	7	18,423	9,189
<b>TOTAL CURRENT ASSETS</b>		<u>625,951</u>	<u>524,797</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	97,340	121,458
Intangible assets	9	30,555	58,319
<b>TOTAL NON-CURRENT ASSETS</b>		<u>127,895</u>	<u>179,777</u>
<b>TOTAL ASSETS</b>		<u>780,846</u>	<u>704,574</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	213,250	177,754
Loans and borrowings	11	-	6,961
Employee benefits	12	128,230	99,549
Deferred income	13	2,703	555
<b>TOTAL CURRENT LIABILITIES</b>		<u>344,183</u>	<u>284,819</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	12	3,497	1,453
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>3,497</u>	<u>1,453</u>
<b>TOTAL LIABILITIES</b>		<u>347,680</u>	<u>286,272</u>
<b>NET ASSETS</b>		<u>433,166</u>	<u>418,302</u>
<b>EQUITY</b>			
Retained earnings		<u>433,166</u>	<u>418,302</u>
<b>TOTAL EQUITY</b>		<u>433,166</u>	<u>418,302</u>

The accompanying notes form part of these financial statements



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# Financial Report

**Australian Communications Consumer Action Network Limited**

**A.B.N. 42 133 719 678**

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## **Statement of Changes in Equity For The Year Ended 30 June 2012**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2010</b>	387,546	387,546
Profit for the year	<u>30,756</u>	<u>30,756</u>
<b>Balance at 30 June 2011</b>	418,302	418,302
Profit for the year	<u>14,864</u>	<u>14,864</u>
<b>Balance at 30 June 2012</b>	<u><u>433,166</u></u>	<u><u>433,166</u></u>

The accompanying notes form part of these financial statements

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## **Statement of Cash Flows** **For The Year Ended 30 June 2012**

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		96,121	90,596
Cash receipt of grants		2,067,000	2,322,320
Cash paid to suppliers and employees		(2,050,410)	(2,086,004)
Interest received		23,148	16,366
Interest paid		(1,686)	(1,686)
<b>Net cash from operating activities</b>	14(b)	<u>134,173</u>	<u>341,592</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(21,675)	(11,997)
Acquisition of intangible assets		-	(43,464)
<b>Net cash used in investing activities</b>		<u>(21,675)</u>	<u>(55,461)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of finance lease liabilities		(6,961)	(6,961)
<b>Net cash from (used in) financing activities</b>		<u>(6,961)</u>	<u>(6,961)</u>
Net increase (decrease) in cash and cash equivalents		105,537	279,170
Cash and cash equivalents at 1 July		<u>427,346</u>	<u>148,176</u>
Cash and cash equivalents at 30 June	14(a)	<u><u>532,883</u></u>	<u><u>427,346</u></u>

The accompanying notes form part of these financial statements

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies**

The financial report is for Australian Communications Consumer Action Network Limited as an individual not-for-profit entity, incorporated and domiciled in Australia. Australian Communications Consumer Action Network Limited is a company limited by guarantee.

#### **Member Guarantee**

ACCAN is a company limited by Members' guarantee under the *Corporations Act 2001*. The Company is incorporated and domiciled in Australia. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company.

#### **Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report has been prepared on a historical cost basis, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Board of Directors on 1 August 2012.

### **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 statement of comprehensive income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company 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 Company 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 statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company 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 statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

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

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

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

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

##### **Recognition and measurement**

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

Cost includes expenditure that is 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.

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.

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

##### **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 the statement of comprehensive income as incurred.

##### **Depreciation**

Depreciation is recognised in the 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Furniture and equipment	10-25%
Leasehold improvements	33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

#### **(c) Intangibles**

##### **Website**

Expenditure incurred for Websites acquired by the Company have finite lives which are measured at cost, less any accumulated amortisation and impairment losses.

##### **Website Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of comprehensive income as incurred.

##### **Website Amortisation**

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful life for the website is 4 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date.

#### **(d) Leases**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company 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.

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

#### **(e) Financial Instruments**

##### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company 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 (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as 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 or 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. Quoted prices in an active market are used to determine fair value, where available. 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 the statement of comprehensive income.

- (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 Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

#### **(e) Financial Instruments (continued)**

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### **Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **(f) Impairment of Assets**

At each reporting date, the Company 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 statement of comprehensive income.

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 Company 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 Company 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.

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

#### **(g) Employee Benefits**

##### **Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which an Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### **Other Long-term Employee Benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

##### **Short-Term Employee Benefits**

Liabilities for employee benefits for wages, salaries, annual leave represent present obligations resulting from employee's services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and superannuation.

#### **(h) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal obligation or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks specific to the liability.

#### **(i) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

#### **(j) Goods and Services Tax**

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 (ATO). 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 are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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.



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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements For The Year Ended 30 June 2012**

### **Note 1 - Statement of Significant Accounting Policies (continued)**

#### **(k) Income Tax**

No income tax is payable by the Company for the financial year and subsequent years due to the ATO endorsement as a Charitable Institution. The Company has income tax exempt status under subsection 50-B of the *Income Tax Assessment Act 1997*. The income tax exempt status is subject to annual self-reviews.

#### **(l) 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.

It has not been necessary for the Directors to make any key estimates or judgements in the report.

#### **(m) Economic Dependence**

ACCAN is dependent on the Department of Broadband, Communications and the Digital Economy (DBCDE) 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 DBCDE will not continue to support ACCAN.

#### **(n) New Standards and Interpretations Not Yet Adopted**

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 1 July 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

The following standards are mandatory for annual reporting periods beginning on or after 1 July 2013, with early adoption permissible.

- *AASB 1053: Application of Tiers of Australian Accounting Standards; and*
- *AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

As a not-for-profit entity, the Company will be eligible to apply the Tier 2 reporting requirements that are provided in these standards. If the Company should decide to do so, this will reduce some disclosure in the notes to the financial statements but will not affect the statements of financial position or comprehensive income.

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## Notes to the Financial Statements For The Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 2 – Revenue</b>		
Revenue from Government Grants and Other Grants		
- Federal Government Grants	2,077,000	2,032,000
Sitting Fees	1,816	18,215
Interest Revenue	23,148	16,366
Membership Fees	12,365	5,020
Conference Registration Revenue	25,892	921
Sponsorship Revenue	66,846	-
Other Revenue	1,818	5,677
Total Revenue	<u>2,208,885</u>	<u>2,078,199</u>
<b>Note 3 – Expenses</b>		
Other expenses		
- Board & Committee Expenses	35,761	33,530
- Recruitment Costs	-	32,924
- Planning & Policy	2,000	30,123
- Sundry Expenses	15,563	27,617
- Broadband & Consumer Handbook	-	20,000
- Other Office Expenses	10,514	13,206
- Insurance	12,845	5,059
- Repairs & Maintenance	507	1,355
- Bank Fees	1,173	857
Total Other Expenses	<u>78,363</u>	<u>164,671</u>
Depreciation and Amortisation		
- Furniture and Equipment	40,546	38,094
- Leasehold Improvements	5,247	5,352
- Website	13,583	17,458
Total Depreciation and Amortisation	<u>59,376</u>	<u>60,904</u>
Rental Expense on Operating Lease	<u>138,644</u>	<u>132,485</u>
<b>Note 4 – Auditors Remuneration</b>		
Remuneration of the auditor of the Company for:		
- Audit and Review of the Financial Report	<u>11,000</u>	<u>11,000</u>
Total Auditors Remuneration	<u>11,000</u>	<u>11,000</u>
<b>Note 5 – Cash and Cash Equivalents</b>		
Cash on hand	50	315
Cash at bank	<u>532,833</u>	<u>427,031</u>
Total Cash and Cash Equivalents	<u>532,883</u>	<u>427,346</u>

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and financial liabilities are disclosed in note 15.

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## Notes to the Financial Statements For The Year Ended 30 June 2012

	2012 \$	2011 \$
<b>Note 6 – Trade and Other Receivables</b>		
Trade Receivables	2,645	262
Provision for impairment	-	-
	<u>2,645</u>	<u>262</u>
Other Receivables	<u>99,000</u>	<u>88,000</u>
Total Trade and Other Receivables	<u><u>101,645</u></u>	<u><u>88,262</u></u>

The Company's exposure to credit and impairment losses related to trade and other receivables is disclosed in note 15.

### Note 7 – Prepayments

Prepayments	<u>18,423</u>	<u>9,189</u>
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### Note 8 – Property, Plant and Equipment

Furniture and equipment – at cost	203,881	182,206
Accumulated depreciation	<u>(106,954)</u>	<u>(66,408)</u>
	<u>96,927</u>	<u>115,798</u>
Leasehold improvements – at cost	16,060	16,060
Accumulated amortisation	<u>(15,647)</u>	<u>(10,400)</u>
	<u>413</u>	<u>5,660</u>
Total property, plant and equipment	<u><u>97,340</u></u>	<u><u>121,458</u></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:

	<b>Furniture and Equipment</b> \$	<b>Leasehold Improvements</b> \$
<b>Cost or deemed cost</b>		
Balance at 1 July 2010	170,209	16,060
Acquisitions	<u>11,997</u>	<u>-</u>
Balance at 30 June 2011	<u>182,206</u>	<u>16,060</u>
Acquisitions	<u>21,675</u>	<u>-</u>
Balance at 30 June 2012	<u><u>203,881</u></u>	<u><u>16,060</u></u>
<b>Depreciation, amortisation and impairment losses</b>		
Balance at 1 July 2010	28,314	5,048
Depreciation for the year	38,094	-
Amortisation for the year	-	5,352
Impairment loss	<u>-</u>	<u>-</u>
Balance at 30 June 2011	<u>66,408</u>	<u>10,400</u>
Depreciation for the year	40,546	5,247
Amortisation for the year	-	-
Impairment loss	<u>-</u>	<u>-</u>
Balance at 30 June 2012	<u><u>106,954</u></u>	<u><u>15,647</u></u>

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## Notes to the Financial Statements For The Year Ended 30 June 2012

### Note 8 – Property, Plant and Equipment (continued)

	<b>Furniture and Equipment</b>	<b>Leasehold Improvements</b>
	\$	\$
Carrying Amounts		
At 1 July 2010	141,895	11,012
At 30 June 2011	<u>115,798</u>	<u>5,660</u>
At 1 July 2011	115,798	5,660
At 30 June 2012	<u>96,927</u>	<u>413</u>

### Leased Equipment

The company leases a telephone system under a finance lease arrangement. The leased equipment secures lease obligations. At 30 June 2012 the net carrying amount of leased equipment was \$6,403 (2011: \$13,362). During the year, the Company acquired leased assets of \$Nil (2011: \$Nil) (see note 11).

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>Note 9 – Intangibles</b>		
Website – at cost	54,330	84,165
Accumulated amortisation	<u>(23,775)</u>	<u>(25,846)</u>
Total intangibles	<u>30,555</u>	<u>58,319</u>

### Movements in Carrying Amounts

Movement in the carrying amounts for intangibles between the beginning and the end of the current financial year:

	<b>Website</b>
	\$
<b>Cost</b>	
Balance at 1 July 2010	40,701
Acquisitions	<u>43,464</u>
Balance at 30 June 2011	<u>84,165</u>
Acquisitions	-
Disposals	<u>(29,835)</u>
Balance at 30 June 2012	<u>54,330</u>

### Amortisation and impairment losses

Balance at 1 July 2010	8,388
Amortisation for the year	17,458
Impairment loss	-
Balance at 30 June 2011	<u>25,846</u>
Amortisation for the year	13,583
Impairment loss	-
Disposals	<u>(15,654)</u>
Balance at 30 June 2012	<u>23,775</u>

### Carrying Amounts

At 1 July 2010	<u>32,313</u>
At 30 June 2011	<u>58,319</u>
At 1 July 2011	<u>58,319</u>
At 30 June 2012	<u>30,555</u>

# Financial Report

**Australian Communications Consumer Action Network Limited**  
A.B.N. 42 133 719 678

## Notes to the Financial Statements For The Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 10 – Trade and Other Payables</b>		
Trade payables	26,086	9,751
Other payables	<u>187,164</u>	<u>168,003</u>
Total trade and other payables	<u><u>213,250</u></u>	<u><u>177,754</u></u>

### Note 11 – Loans and Borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and liquidity risk, see note 15.

#### CURRENT

Finance lease liability	-	<u>6,961</u>
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#### NON-CURRENT

Finance lease liability	-	-
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### Terms and Debt Repayment Schedule

	Nominal Interest Rates	Year of Maturity	30 June 2012		30 June 2011	
			Face Value	Carrying Amount	Face Value	Carrying Amount
Finance lease liabilities	19.51%	2012	-	-	<u>8,647</u>	<u>6,961</u>
Total interest-bearing liabilities			<u>-</u>	<u>-</u>	<u>8,647</u>	<u>6,961</u>

### Finance Lease Liabilities

Finance lease liabilities of the Company are payable as follows:

	Future minimum lease payments		Interest		Present value minimum lease payments	
	2012	2011	2012	2011	2012	2011
Less than one year	-	8,647	1,686	1,686	-	6,961
Between one and five years	-	-	-	-	-	-
	<u>-</u>	<u>8,647</u>	<u>1,686</u>	<u>1,686</u>	<u>-</u>	<u>6,961</u>

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## Notes to the Financial Statements For The Year Ended 30 June 2012

	2012	2011
	\$	\$
<b>Note 12 – Employee Benefits</b>		
CURRENT		
Liability for annual leave	82,782	60,850
Liability for long service leave	45,448	38,699
	<u>128,230</u>	<u>99,549</u>
NON-CURRENT		
Liability for long service leave	3,497	1,453
	<u>3,497</u>	<u>1,453</u>
<b>Movement in employee benefits</b>		
Opening balance at 1 July	101,002	89,487
Additional provisions raised during the year	118,178	80,726
Amounts used	<u>(87,453)</u>	<u>(69,211)</u>
Closing balance at 30 June	<u>131,727</u>	<u>101,002</u>
<b>Note 13 – Deferred Income</b>		
Membership fees received in advance	430	555
Sponsorship revenue received in advance	2,273	-
	<u>2,703</u>	<u>555</u>
<b>Note 14 – Cash Flow Information</b>		
<b>(a) Reconciliation of cash</b>		
Cash on hand	50	315
Cash at bank	532,833	427,031
Total cash and cash equivalents	<u>532,883</u>	<u>427,346</u>
<b>(b) Reconciliation of cash flow from operating activities</b>		
<i>Cash flows from operating activities</i>		
Profit after income tax for the year	14,864	30,756
Adjustments for:		
Depreciation and amortisation	59,376	60,904
Loss on disposal of intangible assets	14,182	-
Change in assets and liabilities:		
Change in trade and other receivables	(13,383)	357,692
Change in prepayments	(9,234)	(6,609)
Change in trade and other payables	35,496	(112,761)
Change in employee benefits	30,724	11,515
Change in deferred income	2,148	95
Net cash from operating activities	<u>134,173</u>	<u>341,592</u>

# Financial Report

**Australian Communications Consumer Action Network Limited**  
A.B.N. 42 133 719 678

## Notes to the Financial Statements For The Year Ended 30 June 2012

### Note 15 - Financial Risk Management

The Company's financial instruments consist mainly of short-term deposits with banks, short-term investments, accounts receivable, accounts payable and finance 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:

	Note	2012 \$	2011 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	532,883	427,346
Trade and other receivables	6	101,645	88,262
		<u>634,528</u>	<u>515,608</u>
<b>Financial Liabilities</b>			
Trade and other payables	10	213,250	177,754
Loans and borrowings	11	-	6,961
		<u>213,250</u>	<u>184,715</u>

### Financial Risk Management Policies

The Company's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. An implicit risk management policy exists and includes 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, credit risk and net fair values.

#### a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for classes of financial assets and financial liabilities, is set out below:

2012	Note	Fixed Interest Maturing in				Total \$
		Floating Interest Rate \$	1 Year or Less \$	Over 1 to 5 Years \$	Non-Interest Bearing \$	
<b>Financial Assets</b>						
Cash and cash equivalents	5	490,135	42,698	-	50	532,883
Trade and other receivables	6	-	-	-	101,645	101,645
<b>Total Financial Assets</b>		<u>490,135</u>	<u>42,698</u>	<u>-</u>	<u>101,695</u>	<u>634,528</u>
Weighted Average Interest Rate of cash and cash equivalents						3.0%
<b>Financial Liabilities</b>						
Trade and other payables	10	-	-	-	213,250	213,250
Loans and borrowings	11	-	-	-	-	-
<b>Total Financial Liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>213,250</u>	<u>213,250</u>

# Financial Report

**Australian Communications Consumer Action Network Limited**  
A.B.N. 42 133 719 678

## Notes to the Financial Statements For The Year Ended 30 June 2012

### Note 15 - Financial Risk Management (continued)

#### a) Interest Rate Risk (continued)

2011	Note	Fixed Interest Maturing in			Non-Interest Bearing \$	Total \$
		Floating Interest Rate \$	1 Year or Less \$	Over 1 to 5 Years \$		
<b>Financial Assets</b>						
Cash and cash equivalents	5	327,992	99,039	-	315	427,346
Trade and other receivables	6	-	-	-	88,262	88,262
<b>Total Financial Assets</b>		<b>327,992</b>	<b>99,039</b>	<b>-</b>	<b>88,577</b>	<b>515,608</b>
Weighted Average Interest Rate of cash and cash equivalents						5.0%
<b>Financial Liabilities</b>						
Trade and other payables	10	-	-	-	177,754	177,754
Loans and borrowings	11	-	6,961	-	-	6,961
<b>Total Financial Liabilities</b>		<b>-</b>	<b>6,961</b>	<b>-</b>	<b>177,754</b>	<b>184,715</b>

#### b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise. Liquidity risk is minimised by:

- 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; and
- investing only in surplus cash with major financial institutions.

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 to settle financial liabilities is presented in the table below.

#### Financial Asset and Financial Liability Maturity Analysis

	Within 1 year 2012 \$	Total 2012 \$	Within 1 year 2011 \$	Total 2011 \$
<b>Financial Assets – cash flow realisable</b>				
Cash and cash equivalents	532,883	532,883	427,346	427,346
Trade and other receivables	101,645	101,645	88,262	88,262
<b>Total anticipated inflows</b>	<b>634,528</b>	<b>634,528</b>	<b>515,608</b>	<b>515,608</b>
<b>Financial Liabilities - due for payment</b>				
Trade and other payables	213,250	213,250	177,754	177,754
Loans and borrowings	-	-	6,961	6,961
<b>Total expected outflows</b>	<b>213,250</b>	<b>213,250</b>	<b>184,715</b>	<b>184,715</b>
<b>Net inflow/(outflow) on financial instruments</b>	<b>421,278</b>	<b>421,278</b>	<b>330,893</b>	<b>330,893</b>



# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

### **Note 15 - Financial Risk Management (continued)**

#### **c) 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 Company has otherwise cleared, through its Finance and Audit Committee, 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 statement of financial position.

Trade and other receivables that are not past, due or impaired, are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

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 and Audit 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 A-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P Counterparty Credit Ratings.

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>Cash and cash equivalents</b>			
- A- rated	5	<u>532,833</u>	<u>427,031</u>
		<u>532,833</u>	<u>427,031</u>

# Financial Report

**Australian Communications Consumer Action Network Limited**  
A.B.N. 42 133 719 678

## Notes to the Financial Statements For The Year Ended 30 June 2012

### Note 15 - Financial Risk Management (continued)

#### d) Net Fair Values

The net fair value of financial assets and financial liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	<b>Carrying Amount 2012</b>	<b>Net Fair Value 2012</b>	<b>Carrying Amount 2011</b>	<b>Net Fair Value 2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	532,883	532,883	427,346	427,346
Trade and other Receivables	101,645	101,645	88,262	88,262
	<u>634,528</u>	<u>634,528</u>	<u>515,608</u>	<u>515,608</u>
<b>Financial Liabilities</b>				
Trade and other payables	213,250	213,250	177,754	177,754
Loans and borrowings	-	-	6,961	6,961
	<u>213,250</u>	<u>213,250</u>	<u>184,715</u>	<u>184,715</u>

Fair values are materially in line with carrying values.

#### Note 16 – Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<i>Payable – minimum lease payments</i>		
- Less than one year	141,894	145,123
- Between one and five years	<u>5,965</u>	<u>11,931</u>
	<u>147,859</u>	<u>157,054</u>

The company leases office and car parking facilities and office equipment under operating leases. The leases typically run for a period between three to five years, with an option to renew the lease after that date. Lease payments are reviewed every year for changes in the consumer price index.

During the year and amount of \$138,644 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2011 \$132,485).

# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

## **Notes to the Financial Statements** **For The Year Ended 30 June 2012**

	2012	2011
	\$	\$
<b>Note 17 – Capital Commitments</b>		
<i>Document Management System</i>		
Contracted but not provided for and payable:		
- Within one year	-	6,000
- One year or later and no later than five years	-	-
	<u>-</u>	<u>6,000</u>
Total capital commitments	<u>-</u>	<u>6,000</u>

### **Note 18 – Related Parties**

#### **(a) Directors' compensation**

The Directors act in an honorary capacity and receive no compensation for their services. During the year travel expenses totalling \$36,635 (2011: \$43,714) were incurred in fulfilling their role.

#### **(b) Key management personnel**

The names and positions of those having authority for planning, directing and controlling the Company's activities, directly or indirectly (other than Directors), are:

- Teresa Corbin, Chief Executive Officer
- Narelle Clark, Deputy Chief Executive Officer
- Yuriko Hoshi, Business Manager
- Una Lawrence, Director of Policy and Campaigns

### **Note 19 - Company Details**

The registered office of the Company is:

Australian Communications Consumer Action Network Limited  
Level 4, Suite 2, 55 Mountain Street  
Ultimo NSW 2007

The principal place of business is:

Australian Communications Consumer Action Network Limited  
Level 4, Suite 2, 55 Mountain Street  
Ultimo NSW 2007

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# Financial Report

**Australian Communications Consumer Action Network Limited**  
**A.B.N. 42 133 719 678**

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## Directors' Declaration

In the opinion of the Directors of the Australian Communications Consumer Action Network Limited ("the Company"):

1. The financial statements and notes, as set out on pages 21 to 41, are in accordance with the *Corporations Act 2001*; including
  - (a) Giving a true and fair view of the Company's financial position as at 30 June 2012 and of the performance, for the year ended on that date; and
  - (b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. 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 Board of Directors



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Michael Fraser  
Director



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Johanna Plante  
Director

Dated this 1<sup>st</sup> day of August 2012  
Sydney, NSW

## **Independent Auditor's Report**

### **To the Members of Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678**

#### **Report on the Financial Report**

We have audited the accompanying financial report of Australian Communications Consumer Action Network Limited, which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration.

#### **Directors Responsibility for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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.

#### **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. Those 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 Company's preparation of the financial report that gives a true and fair view 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 Company'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 applicable independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Australian Communications Consumer Action Network Limited, would be in the same terms if given to the Directors as at the time of the auditor's report.

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# Financial Report

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## Independent Auditor's Report

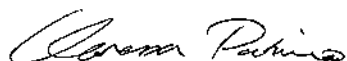
**To the Members of  
Australian Communications Consumer Action Network Limited  
A.B.N. 42 133 719 678**

### Auditor's Opinion

In our opinion the financial report of the Australian Communications Consumer Action Network Limited is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### MOSAIC AUDIT & CONSULTING



**Vanessa Patricio**

Principal

Registered Company Auditor # 333315

Dated this 1<sup>st</sup> day of August 2012

Sydney, NSW



Australian Communications Consumer Action Network Limited (ACCAN)

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