

# WHEN RESEARCH MEETS IMPACT

The Australia Institute

2016-17  
Annual Report

# CORPORATE INFORMATION

The Australia Institute Limited presents its  
Annual Report for the financial year 2016-17.

## CORPORATE INFORMATION

### DIRECTORS

Dr John McKinnon (Chair)

NGO director and philanthropist

Professor Barbara Pocock AM ASSA (Deputy Chair)  
Emeritus Professor, Business School,  
University of South Australia

Dr Elizabeth Cham  
Former CEO of Philanthropy Australia (96-06)

Mr Andrew Dettmer  
National President,  
Australian Manufacturing Workers Union

Dr David Morawetz  
Psychologist and economist  
Founder and Director of the Social Justice Fund

Dr Elizabeth Hill  
Senior Lecturer, Political Economy,  
University of Sydney

Mr Josh Bornstein  
Head of National Employment & Industrial Law at  
Maurice Blackburn Lawyers

### REGISTERED OFFICES

Level 1, Endeavour House  
1 Franklin Street  
Manuka ACT 2603

### AUDITORS

RSM Australia Pty Ltd

### BANKERS

Bank Australia  
St George Bank  
ACN 061 969 284  
ABN 90 061 969 284

### CONTACTS

telephone (02) 6130 0530  
email [mail@tai.org.au](mailto:mail@tai.org.au)  
[tai.org.au](http://tai.org.au)

[twitter.com/TheAusInstitute](https://twitter.com/TheAusInstitute)  
[facebook.com/TheAustraliaInstitute](https://facebook.com/TheAustraliaInstitute)

# ANNUAL REPORT CONTENTS

4	About The Australia Institute
6	Letter from the Chair
7	Letter from the Executive Director
8	Our Research at a Glance
9	Highlights
10	Bob Inglis Tour
12	Go Home on Time Day
13	The Australia Institute Tasmania
14	Federal Impact
17	National Manufacturing Summit
18	Mining & Renewables
24	Jubilee Australia Research Centre
25	Centre for Future Work
26	In the Media & Online
28	Thank You for Your Support
31	Annual Financial Report

# ABOUT THE AUSTRALIA INSTITUTE

The Australia Institute is the country's most influential progressive think-tank. We conduct research on a broad range of economic, social and environmental issues in order to inform public debate and bring greater accountability to the democratic process.

Our work is independently funded by donations from philanthropic trusts and individuals, as well as grants and commissioned research from business, unions and NGOs. The Australia Institute is not government funded and does not accept donations or commissioned work from political parties. With no formal political or commercial ties, the Institute is in a position to maintain its independence while advancing a vision for a fair and progressive Australia.

## OUR GOAL

The Australia Institute is determined to push public debate beyond the simplistic question of 'whether markets or governments have all the answers' to more important questions: When does government need to intervene in the market? When should it stand back? And when regulation is needed, what form should it take?

“

When we talk about 'research that matters' we're talking about making real, tangible changes that wouldn't have happened if we weren't there to make them happen.

”

We're confident  
that we consistently  
deliver on  
the promise of  
our motto:

# RESEARCH THAT MATTERS



# LETTER FROM THE CHAIR



## JOHN MCKINNON

“There is no alternative”. Margaret Thatcher’s slogan led the world, and Australia’s political class with it, down the risky path of neoliberalism. Despite the downsides of reduced public spending, regressive taxes and privatisations – rising inequality, environmental degradation and climate change, increased corporate power and decreasing faith in democracy – the accepted narrative was that we had no other options.

Australia has its share of national narratives to which no alternative was assumed to exist, such as:

- We can’t stop coal exports without damaging the economy;
- We can’t transition to renewable energy without higher power prices;
- Our wages are too high to support a manufacturing industry;
- Our high corporate taxes make us uncompetitive;
- Higher unemployment benefits are a disincentive to work;
- Superannuation concessions are untouchable;
- Smaller government and lower taxes makes for a more efficient economy;
- We can’t afford better government services;
- There is no institutional corruption in Australia.

Each of these narratives is now highly contestable if not outright discredited. I am proud to say that in each case, it has been The Australia Institute that has taken the lead and broadened the scope of our nation’s collective imagination.

In June, The Australia Institute established its Climate and Energy Program, taking on some of the research work of The Climate Institute.

We demonstrated not only that a just transition to cheaper renewable energy is possible but also that the public is highly supportive and opposed to continuing government support of fossil fuel extraction.

This year saw the closure of Australia’s car manufacturing industry, the latest in a long series of events that support the pervasive narrative that Australia’s role in the world consists of being a farm, a quarry and a tourist destination. The Australia Institute’s Centre for Future Work challenged this accepted “conventional wisdom”: a research program backed up with a Manufacturing Summit, featuring unions, politicians of all stripes and industry demonstrated that manufacturing can play a major role in Australia’s future, providing significant employment.

To date, the government’s proposed company tax cuts remain unlegislated. This is largely due to the Institute doing the heavy lifting by pointing out the long term revenue implications, the lack of credibility of the ‘trickle-down’ effect, the huge benefits to overseas corporates, lack of impact to domestic corporates and the alternative uses of such forgone revenue. The Institute changed the debate and presented alternative visions of what our society could be.

Once again the government attempted to reduce employment benefits, and again it was the Institute that successfully challenged the economic arguments and highlighted the social impacts.

Despite the success of state anti-corruption commissions, federal politicians have been adamant that no corruption exists at the federal level. Again, the Institute has led the way with its democracy and transparency research resulting in the Accountability and the Law Conference in August. Involving politicians, former judges, former state corruption commissioners, academics and senior members of the legal profession, this conference shifted the conversation to a point where such a Commission is now a clear possibility.

These are just a few examples of the Institute’s research over the past year. We continue our proud history of producing research that matters: research that opens up the collective imagination, that changes policy, that makes Australia a more progressive, fairer society.

I feel honoured to be part of such an organization. I would like to thank our board, especially Deputy Chair Barbara Pocock, who stood in for me during my extended time overseas this year, and our new members, Elizabeth Hill and Josh Bornstein.

Thanks must also go to the Research Committee. The breadth of the Institute’s research agenda must make their job quite challenging and we are indebted to them for ensuring its quality and relevance.

Recognition should also go to the wonderful staff, so ably led by Ben Oquist. They are hard working, they are talented and we owe them a huge debt of gratitude.

The growth and success we have experienced over the past year is obviously dependent on having sufficient financial resources available.

This vital work simply could not be done without the donations from our supporters. So, our deepest thanks to all of you who have contributed.

# LETTER FROM THE EXECUTIVE DIRECTOR



## BEN OQUIST

Helping drive and shape the policy and political debate has never been more complicated. A new media environment, more unstable political dynamics and more complex policy challenges all mean The Australia Institute has had to work harder than ever to sustain the credibility and impact of its work.

However, while huge policy problems remain unresolved, there is also good signs that we are winning key debates and battles.

There is a new normal at The Australia Institute. A week that may in the past have been considered exceptional for the scale of media coverage or political impact has become, for lack of a better word, the norm. It a credit to the diligence, remarkable skills and expertise of our staff and board who have not only coped, but shone through a period of unmatched growth of the Institute's engagement and impact of its paradigm-shifting research.

Many of the challenges the Institute now faces can be put in the category of 'good problems to have'. The growing impact of our work has brought greater scrutiny and a reaction from politicians and commentators. The quality and quantity of research has necessitated building up our communications capacity and look at diversifying our structures to widen the pipeline. And the breadth of issues with which we engage brings the need for new centres, which have become their own growth engines.

The loyalty and generosity of our growing numbers of supporters is how this happens. The importance of our independence and fearless research makes building that support a priority. There is a greater understanding and appreciation for what The Australia Institute does which sets it apart from other organisations.

The think tank plays a unique role in Australian politics. This year has brought a series of achievements that only The Australia Institute could deliver. We have been leaders of the company tax debate – pitting research against the 'econobabble' of big business and their lobbyists. We brought a former South Carolina Republic member of Congress, Bob Inglis, to speak to conservatives – in their language, about climate change. We launched GFC+10, with former UK Treasurer Ed Balls, to foster better understanding of our own recent economic history.

Our expansion into state politics and policy with the establishment of The Australia Institute Tasmania again shows the thought leadership and strategic vision for which we have become well known. State government has a major impact on the lives of every Australian, but too often is ignored by the press and policy experts. Our Tasmanian Director, Leanne Minshull, hit the ground running, making an immediate impression on issues from high-intensity salmon farming, to pokie machines, to the need for greater accountability in the state's politics.

Former British Prime Minister, Harold Macmillan said, when asked what he most feared "Events, dear boy, events." No political Nostradamus could have predicted the politics of the past year. The Australia Institute is ready as it has ever been for the unexpected. With this talented team we will continue to lead debates with research that matters, and continue to change minds.

Here at The Australia Institute we often say 'We believe in politics' and that politics can and must be good. It is inherent to our democracy, and any attempt to wish politics away results only in vacating the field. By promoting politics and engagement in public debate, The Australia Institute's research is helping build a better Australia.



including



+



+



Over **100**  
Research  
Pieces

**74+**  
Research  
Reports

**22** Submissions to  
Government Inquiries  
& Project Assessments

**4**  
National Energy  
Emissions Audits

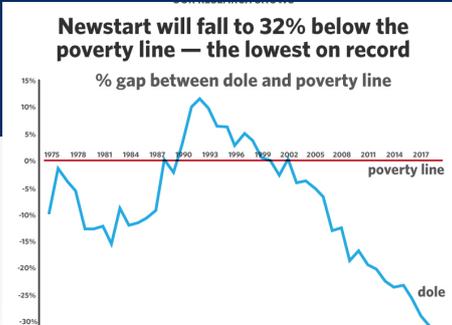
## THE AUSTRALIA INSTITUTE RESEARCH AT A GLANCE >

The Australia Institute conducts original research that contributes to a more just, sustainable and peaceful society.

In 2016-17, we produced over 100 research pieces, including 74 research reports, made 22 submissions to government inquiries and project assessment processes, and completed 4 National Energy Emissions Audits.

This substantial body of new research builds upon areas of longstanding inquiry by The Australia Institute — inequality, mining, renewable energy and corporate welfare, to name a few.

# HIGHLIGHTS INCLUDE >



## HELPED STOP CUTS TO NEWSTART

We co-ordinated an Open Letter opposing the proposed cuts to Newstart. Our research showed Newstart would fall to 32% below the poverty line. This research was instrumental in building both community and Parliamentary opposition, which led to the Senate opposing these cuts.



## BOB INGLIS TOUR

The Australia Institute hosted former US Republican Congressman Bob Inglis for an Australian tour to prosecute the conservative and religious case for action on climate change.

The **Australia Institute**  
Research that matters.  
**Tasmania**

## INTRODUCING: THE AUSTRALIA INSTITUTE TASMANIA

When we started thinking about a State branch for the Australia Institute, Tasmania was the obvious choice. Tasmania has always punched above its weight when it comes to impacting the national debate; from environmental campaigns like the Franklin and Tasmania's forests, to gun law reform, to being the only State with a declining prison population, Tasmania has made its voice heard on the mainland.



## PRIME MINISTER, YOU ARE MISTAKEN.

Rod Campbell, our Research Director appeared on 7.30 and directly debunked the Prime Minister and Adani's claims that 10,000 jobs would be created by the Carmichael coal mine.



## SOUTH AUSTRALIA NUCLEAR WASTE DUMP: DEAD

Our research was instrumental in finally burying the SA Government proposal for South Australia to become a nuclear waste dump for the world.



## NATIONAL MANUFACTURING SUMMIT

Our Centre for Future Work held the inaugural National Manufacturing Summit in Parliament House, bringing together all sides of Parliament, unions and manufacturing industry leaders to highlight the importance of manufacturing to the Australian economy.



# BOB INGLIS TOUR

The Australia Institute's research has consistently shown that while many of our conservative politicians may oppose climate action, the conservative electorates they represent are often strongly in support of climate action and renewable energy.

With this in mind, The Australia Institute saw the need to reach across the political aisle to open a dialogue with Australian conservative party politicians to show leadership on climate action.

The pioneer of this approach to climate action is Mr Bob Inglis, a former Republican Party Congressman turned climate action champion, and founder of republicEn.org – an organisation run by conservatives setting out to reach out to conservatives on the need for conservative free-market solutions in climate action.

As a world leader and pioneer of the strategy we wanted to replicate in Australia, The Australia Institute extended an invitation to Mr Inglis to visit Australia and he was generous enough to accept. Following briefings prepared by our research team, Bob and his wife Mary Anne Inglis arrived in Australia on the 11 February.



“You know Bob, I’m sure I speak for everyone in the audience and everyone who’s been watching today that that was one of the best addresses that we’ve had this year.”

**- CHRIS UHLMANN**

**NATIONAL PRESS CLUB OF AUSTRALIA PRESIDENT**





## The Sydney Morning Herald

NEWS SITE OF THE YEAR

FEBRUARY 13 2017

# The US Republican spreading the conservative case for acting on climate change

## BOB INGLIS > A SHORT BIO

Former US Congressman Bob Inglis is one of America's most influential conservative advocates of climate action. He began his career in Congress as a critic of climate action and was convinced otherwise after what he describes as a 'three stage metamorphosis.' This position cost him his seat in Congress and in 2015, Mr Inglis was awarded the John F. Kennedy Profile in Courage Award for his political bravery. He is the founder and Executive Director of republicEn.org.

Conservative media programs and pundits took an interest in the Inglis Tour. The two separate appearances on Sky News undoubtedly put republicEn.org's message into the offices and homes of many conservative decision makers and the business community. Conservative ABC host, Tom Switzer's extensive interview aired, as his feature story on Between the Lines.

On The Project, Mr Inglis was interviewed by Gold Logie winning co-hosts Waleed Aly and Carrie Bickmore. For this program to produce a package to introduce the interview was a major coup for the tour.

Just months after joining Deputy Prime Minister, Barnaby Joyce in blaming renewable energy for a state-wide blackout in South Australia (the state with the highest amount of wind energy penetration in Australia), ABC Political Editor and National Press Club President, Chris Uhlmann, described on national television Bob Inglis' address as 'one of the best addresses that we've had this year' – only weeks after both the Prime Minister and Opposition Leader had delivered addresses to the Press Club.



The Australia Institute underestimated how politically significant it would be to bring a conservative to Australia to champion climate action. As Mr Inglis himself described his initial opposition to climate action as actually an opposition to Al Gore, it is clear that what needs to change in climate action is the messenger – not just the message.

It has become increasingly clear that the problem with conservatives and climate action is, as Bob Inglis describes, 'not an information problem, but an affinity problem' and just like the United States, Australia needs conservative leaders to support clean energy and climate action.

# GO HOME ON TIME DAY

Go Home on Time Day is going strong and is now in its tenth year.

In this year's report, the Centre for Future Work found that about half of working Australians don't use their full holiday leave and that time theft of workers (in the form of unpaid overtime) takes \$116 billion from household incomes every year.

Unpaid overtime takes \$116 billion from household incomes every year.

## TIME THEFT HURTS WORK/LIFE BALANCE AND DAMAGES THE ECONOMY



## YES: THIS WORKPLACE IS GOING HOME ON TIME



## ABOUT HALF OF WORKING AUSTRALIANS DON'T USE THEIR FULL HOLIDAY LEAVE.



## WHY NOT?

TIME THEFT HURTS WORK/LIFE BALANCE AND DAMAGES THE ECONOMY

## YES: THIS WORKPLACE IS GOING HOME ON TIME

The Centre for Future Work found that unpaid overtime takes \$116 billion from household incomes every year.

When we started thinking about a state branch for the Australia Institute, Tasmania was the obvious choice.

Tasmania has always punched above its weight when it comes to impacting the national debate.

# The Australia Institute sets up shop in Tasmania

## THE AUSTRALIA INSTITUTE TASMANIA

When we started thinking about a State branch for the Australia Institute, Tasmania was the obvious choice. Tasmania has always punched above its weight when it comes to impacting the national debate. From environmental campaigns like the Franklin and Tasmania's forests, to gun law reform, to being the only State with a declining prison population, Tasmania has made its voice heard on the mainland.

A lot of national groups have visited Tasmania but few have decided to set up a permanent presence there. We launched a jobs survey with Unions Tasmania that we will be using to inform upcoming regional employment workshops. Housing affordability in Tasmania has become a major issue, so we complimented the work of Anglicare by researching the effect of national policies like negative gearing on the Tasmanian housing market and participated in a housing forum.

We have taken the lead on shifting the energy debate in Tasmania from 'should we build a second connector' to 'how do we ensure energy security for Tasmanians'. Our research into Tasmania's energy security is the basis for building an alliance with business, community groups and political parties, to make Tasmania energy self-sufficient again.

As the State prepares for an election, the Institute wants to work with Australians to provide research and encourage debate on the issues that will shape the state for the next 4 years. We want to ensure that all of the issues Tasmanians feel strongly about get the attention they need from our politicians – before they are elected.

## WE NEED A FEDERAL ANTI-CORRUPTION WATCHDOG – WITH TEETH

In January, we published an open letter to the Prime Minister calling for an independent federal anti-corruption watchdog, with signatories including Former WA Premier Geoff Gallop; UNSW Dean of Law George Williams AO; Robert Richter QC; former NSW Director of Public Prosecutions Nicholas Cowdery AM QC; former judge Supreme Court of Victoria The Hon David Harper AM QC; former speaker NSW parliament The Hon Kevin Razoli AM; ACTU President Ged Kearney and Former Member for New England Tony Windsor.

The Australia Institute continues to work on federal accountability and integrity and will be holding an Accountability & the Law Conference including the case for a Federal Anti-Corruption Commission. Speakers will include Nicholas Cowdery AM QC, Geoffrey Watson SC, Shadow Attorney General Mark Dreyfus QC, Greens Leader Senator Richard Di Natale, Senator Nick Xenophon, George Williams AO, Bret Walker SC, Noel Hutley SC, Fiona McLeod SC, Associate Professor Joo Cheong Tham, Associate Professor Gabrielle Appleby and Professor AJ Brown.

### Establish a Federal Anti-Corruption Watchdog.

AN OPEN LETTER

#### To Prime Minister Malcolm Turnbull

It's time to create an independent anti-corruption watchdog to investigate and expose corruption and serious misconduct at the federal level, including among federal parliamentarians.

The public is sick and tired of the lack of accountability revealed by repeated scandals involving federal politicians.

In NSW where an anti-corruption watchdog is active, serious cases of corruption have been uncovered. Ongoing scandals involving federal politicians, whether concerning breaches of travel entitlements, political donations or otherwise, show that the serious wrongdoing uncovered in NSW is unlikely to be limited to the state governments and state politicians.

**This is a national issue that cannot be ignored any longer.**

Research shows that corruption hinders growth, increases the cost of doing business, and makes genuine reform on issues we care about more difficult. A new commitment to accountability will not just help our democracy, but our economy.

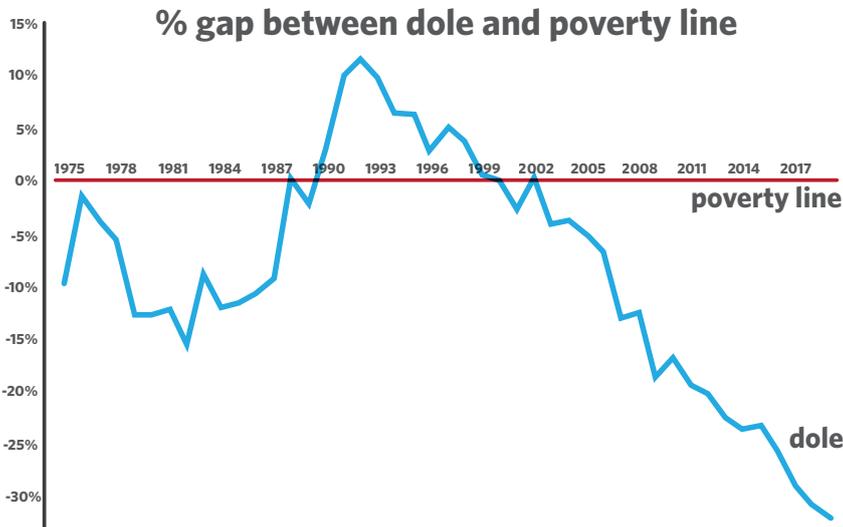
**We urge you to help restore integrity, accountability and trust in the Federal Parliament and Australian Public Service by immediately establishing a Federal Independent Anti-corruption Commission.**

*Add your name to the Open Letter  
urging the Prime Minister to establish a Federal ICAC.*

The Australia Institute  
Research that matters.

OUR RESEARCH SHOWS

## Newstart will fall to 32% below the poverty line — the lowest on record



Our research revealed further proposed budget cuts would mean Newstart would fall to 32% below the poverty line -- the lowest on record. Research with political engagement that was critical in persuading the Senate to block the cut.

OUR RESEARCH SHOWS



So why does Turnbull want to cut Newstart as one of his first acts in the new parliament — while giving companies a \$50 billion tax cut?

The Australia Institute  
Research that matters.

## NO CUTS TO NEWSTART →

We also co-ordinated an open letter signed by a number of eminent Australians, promoting our research demonstrating the impact of a cut to Newstart on people experiencing unemployment.

## We Shouldn't Be Cutting Newstart.

AN OPEN LETTER

"The rate of the Newstart Allowance for jobseekers no longer meets a reasonable community standard of adequacy and may now be so low as to represent a barrier to employment."

— Business Council of Australia

Submission to the Senate Inquiry into the Adequacy of the Allowance Payment System for Jobseekers and Others, August 2012

### To Prime Minister Malcolm Turnbull

At the time of the Sydney Olympics, a couple on the Newstart allowance had enough income to put them on the poverty line. They are now 26% below it.

Yet, as one of its first acts in the new parliament, the government is proposing a further cut to Newstart that would ensure new recipients are expected to live on an income 32% below the poverty line.

The Business Council of Australia has argued that Newstart's \$264 per week is too low for people experiencing unemployment. Cutting it further by removing the \$4.40 per week energy supplement for all new welfare recipients means it is the Australians who are struggling the most who again are being asked to shoulder the burden of 'budget savings.'

A government that plans to give more to the richest Australians while cutting support for people below the poverty line will only further entrench inequality in Australia.

We urge the Prime Minister and all political leaders not to cut Newstart.

<b>Professor John Hewson</b> Crawford School, Australian National University	<b>Ged Kearney</b> President, Australian Council of Trade Unions	<b>Eva Cox AO</b> Adjunct Professor, Jumbunna Indigenous Houses of Learning, UTS
<b>Anna Funder</b> Novelist, Miles Franklin Prize 2012	<b>Andrew Dettmer</b> National President, Australian Manufacturing Workers Union	<b>Professor Spencer Zifcak</b> Allan Myers Professor of Law, Australian Catholic University
<b>John Menadue AO</b> Former senior public servant and businessman	<b>Jeanine Rea</b> National President, National Tertiary Education Union	<b>Robert Paine</b> Emeritus Professor of Politics, La Trobe University
<b>Barbara Pocock</b> Emeritus Professor	<b>Professor Carmen Lawrence</b> Former Premier of WA	<b>Frank Stilwell</b> Emeritus Professor Political Economy, University of Sydney
<b>Josh Bornstein</b> Company director, lawyer	<b>Dr David Horowitz</b> Economist	<b>Simon Chapman AO</b> Emeritus Professor, University of Sydney
<b>Ben Oquist</b> Executive Director, The Australia Institute	<b>Professor David Preetz</b> Professor of Employment Relations, Griffith University	<b>Simon Sheikh</b> Founder, Future Super
<b>Marcus Westbury</b> Writer and broadcaster	<b>Dr Elizabeth Hill</b> University of Sydney	<b>James Legge</b> Company director, Six Degrees
<b>Martin J Cowling</b> Acting National Director, UnitingCare Australia	<b>Professor John Buchanan</b> University of Sydney Business School	<b>Stuart McMillan</b> President, Uniting Church in Australia
<b>Corinne Grant</b> Comedian, writer and author	<b>Dee Madigan</b> Creative Director, Campaign Edge	<b>James MacKenzie</b> Director, Maurice Blackburn
<b>Paul Barrett</b> ChBr, Australia21, former Secretary, Department of Defence	<b>Professor John Outgill</b> University of Queensland	<b>Van Badham</b> Writer & columnist for Guardian Australia
<b>Dr Jim Stanford</b> Director and economist, Centre for Future Work	<b>Dr John McKinnon</b> Chair, The Australia Institute	<b>Cheryl Kernot</b> Social Business Fellow, Centre for Social Impact
<b>Dr John Falzon</b> CEO, St Vincent de Paul	<b>Professor Marian Baird AO</b> University of Sydney Business School	

To add your name to urge the Prime Minister not to cut newstart  
Visit > [theaus.in/newstartcut](http://theaus.in/newstartcut)

The Australia Institute  
Research that matters.

# CUTTING COMPANY TAX. DON'T LET AUSTRALIANS PAY THE PRICE

So-called 'trickle-down' economics has been resurrected and renamed 'growth dividend' to support company tax cuts.

The Australia Institute has spent considerable effort researching the impacts of the Government's plans to cut company tax rate, and the evidence and experience of 'trickle-down' is that it creates neither jobs or growth as claimed, but drives greater inequality.

Our research has found the economic case for a company tax cut particularly weak. The tax cut comes at considerable cost to government revenue and will deliver over \$7 billion to Australia's big four banks at a time of already record profits.

The company tax cut would also result in an effective multi-billion dollar transfer of tax receipts from the Australian Treasury to the US Internal Revenue Service.

Our analysis of Treasury's own modelling shows little economic gain from the tax cut.

Community attitude polling research showed overwhelming public opposition to these tax cuts, and we also co-ordinated an open letter to the Prime Minister signed by the former Governor of the Reserve Bank, Bernie Fraser, Professor Peter Doherty, President of the Uniting Church (Australia) Stuart McMillan and President of the ACTU Ged Kearney, to name a few.

So-called 'trickle-down' economics has been resurrected and renamed 'growth dividend' to support company tax cuts.

## #FACTSFIGHTBACK

**FACT 1 // \$7.4 billion to the big banks.** Cutting the company tax rate will save the Commonwealth Bank \$2.3 billion over the next 10 years, and over \$7.4 billion for the big four banks combined.

**FACT 2 // Australia's loss is America's gain.** Due to a foreign tax treaty, American companies pay the US Internal Revenue Service the difference between the Aus and US company tax rates — currently an extra 5% tax, on top of the 30% paid to Australia.

The company tax cut when fully implemented will see Australia forfeit US\$732 million (AUD\$999m) per year of tax revenue to USA.

**FACT 3 // The biggest 15 companies receive a third of the benefits of the company tax cut when fully implemented.** Advertising that the cuts will benefit all Australians looks like a good investment — look at how much big mining saved from writing their own mining tax.

## Cutting Company Tax.

WHY WOULD YOU?

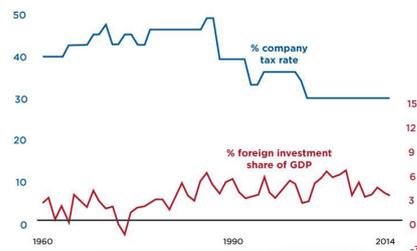
## Last week, seven CEOs asked for a tax cut for their businesses

Their combined annual salaries equal...

Executive	Company	Total Remuneration (AUD equivalent)
Andrew Mackenzie	BHP Billiton	\$7,703,000
Catherine Tanna	EnergyAustralia	\$5,204,000
Alan Joyce	Qantas	\$12,960,000
Richard Goyder	Wesfarmers	\$5,489,740
Joanne Farrel	Rio Tinto	\$2,705,000
Ian Narev	Commonwealth Bank	\$12,304,307
Sergio Ermotti	UBS	\$18,603,948
<b>Total</b>		<b>\$64,969,995</b>

Next they'll tell us it'll trickle down...

## OUR RESEARCH SHOWS Lowering the company tax rate doesn't increase foreign investment.



## Cutting Company Tax.

WHY WOULD YOU?

The Australia Institute  
Research that matters.



# 2017 NATIONAL MANUFACTURING SUMMIT

## RN Breakfast



### Glass half full for Australian manufacturing, finds Centre for Future Work

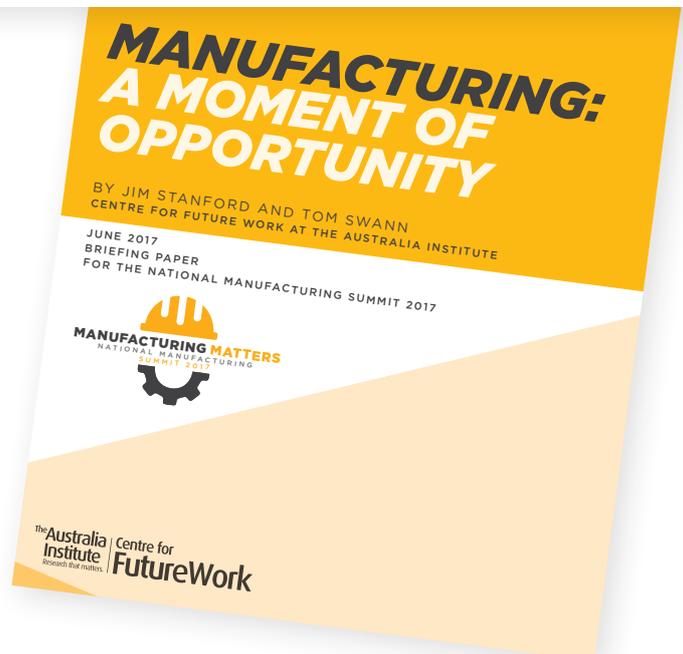
The Centre for Future Work were very proud to host the National Manufacturing Summit at Parliament House in Canberra on 21 June 2017, along with the Australia Institute and eight co-sponsors including: Australian Manufacturing Workers' Union, Australian Steel Institute, Australian Super, Australian Workers' Union, United Voice, University of Technology Sydney Business School, Welding Technology Institute of Australia and Manufacturers' Monthly, our media partner.

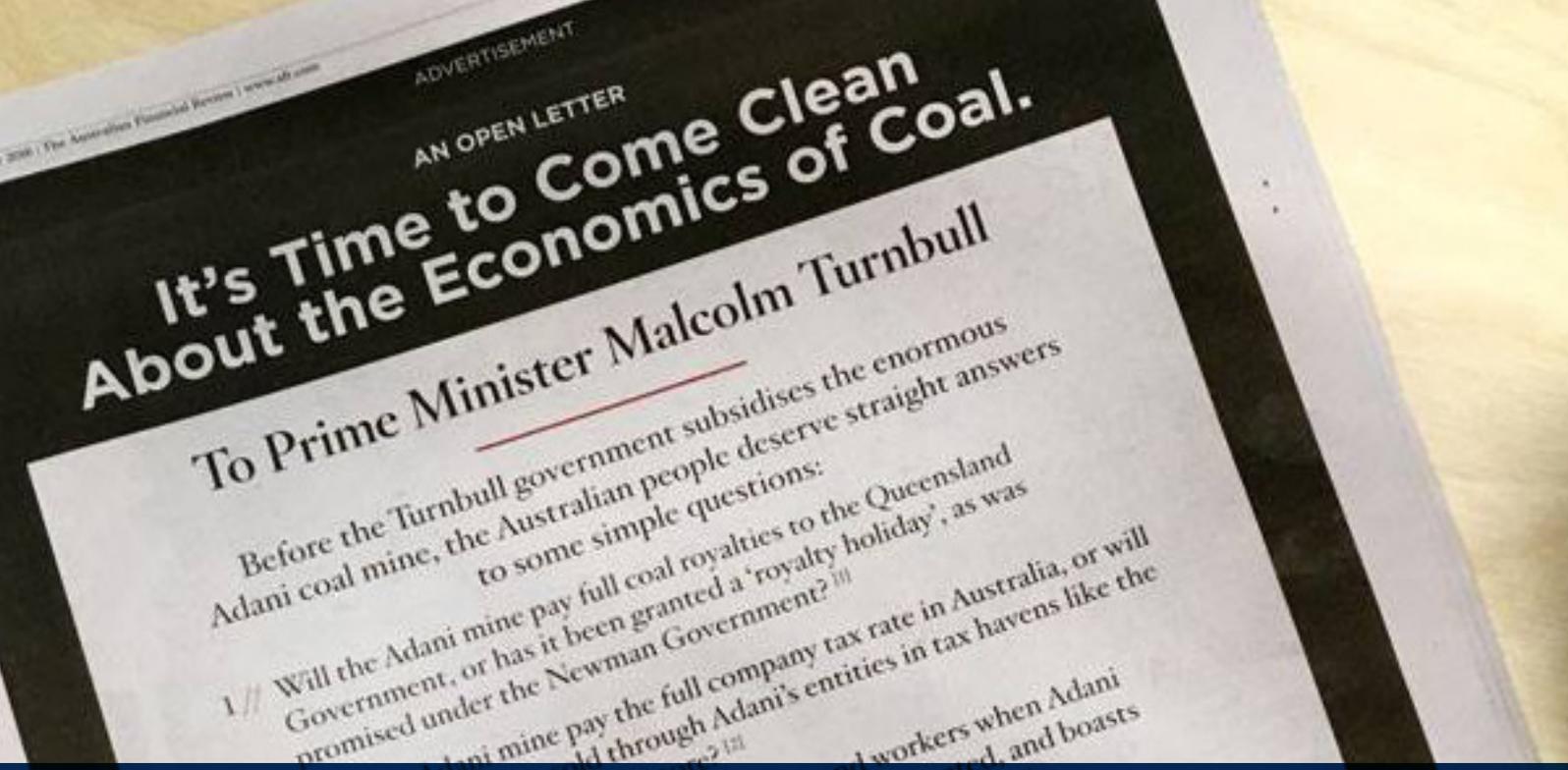
The event was a great success: over 100 participants, 25 speakers and panelists, good media coverage and a shared determination that Australia must indeed remain a country that can "make things" – for the sake of quality jobs, healthier engagement in international trade and a more balanced and sustainable economy. A highlight was the provocative presentations from four key political leaders, who joined us despite a very dramatic day in Parliament, including the Minister for Industry Senator Arthur Sinodinos, Shadow Minister for Innovation, Industry, Science and Research Senator Kim Carr and Senators Nick Xenophon and Lee Rhiannon.

We also launched our report, *Manufacturing: A Moment of Opportunity*, at the Summit. Our research confirms that there is both more economic space and continuing strong political support for Australian manufacturing.

The Summit attracted a broad range of media coverage, including a feature on ABC's RN Breakfast with Fran Kelly, a feature article in *The Guardian*, a compelling commentary from Rob Burgess in *The New Daily*, and a series of articles in *Manufacturers' Monthly*. The Summit was even referenced in Parliamentary debate.

## Australia's manufacturing industry on rebound, report says





# MINING & RENEWABLES

sky NEWS LIVE

*"There's good debt, bad debt and then there is really ugly debt. A \$1 billion dollar loan to help Adani build the world's biggest export coal mine would be the ugliest debt of all"*

— BEN OQUIST  
EXECUTIVE DIRECTOR,  
THE AUSTRALIA INSTITUTE

THE AUSTRALIA INSTITUTE  
BEN OQUIST

WEEKEND AGENDA

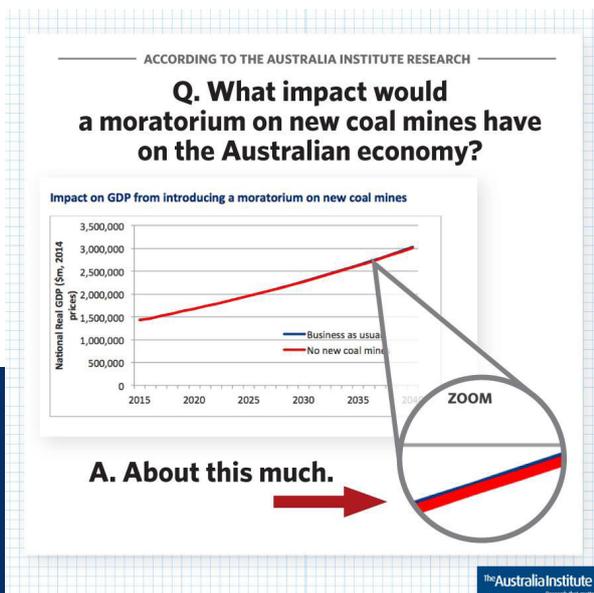
TAMWORTH SUN 24°

RONALD REAGAN TO ADDRESS THE NATIONAL RIFLE ASSOCIATION

17:27 AEST

## COST OF ROYALTY HOLIDAY

We revealed the cost of the proposed royalty holiday for the Adani coal mine to Queenslanders could be almost \$1.2 billion in lost revenue, effectively giving Adani free coal for five years and discounted coal for another four. The Queensland Government still has not revealed the details of its latest deal with Adani. And our research into the Northern Australia Infrastructure Facility (NAIF) revealed the NAIF lacks transparency and resources to do its job well.



## IMPACT OF A MORATORIUM ON NEW COAL MINES ON THE AUSTRALIAN ECONOMY

Our research modelling the impact of 'business as usual' compared to a 'no new coal mines' scenario showed such a negligible impact on the Australian economy many thought the charts in our report were the result of a printing error.

# HOW MANY JOBS WAS THAT AGAIN, PRIME MINISTER?

**MALCOLM TURNBULL:** The [Adani coal mine] project, if it is built, will create tens of thousands of jobs. It will generate over the course of its life an enormous amount in taxes and in royalties: revenues for federal and state governments.

**ANDREW PROBYN:** How many jobs was that again?

**MALCOLM TURNBULL:** Tens of thousands of jobs.

**ROD CAMPBELL:** The 10,000 job estimate comes from a modelling exercise that Adani itself disowned in court. They knew it wouldn't stack up in court, so they brought in another economist to do a different kind of modelling and his estimate was a little under 1,500.

Adani have stated their intention to automate the entire project "from pit to port." That's their words. They're intending to use remote-controlled or robot-controlled trucks, trains and loaders. Their stated intention is to reduce the amount of employment involved in this project.



"The reason why these court cases are important is that *while some people think lying to a journalist can be funny, lying to a judge is a crime.*"

— Richard Denniss  
Chief Economist, The Australia Institute

<p><b>IN THE MEDIA POLITICIANS CLAIM</b></p>	<p><b>OVER 10,000 JOBS</b> INCLUDING DIRECT, INDIRECT, CONSTRUCTION ETC.</p>
<p><b>MEANWHILE... IN COURT (UNDER OATH) ADANI'S OWN ECONOMIST CLAIM</b></p>	<p><b>LESS THAN 1,500 JOBS</b> INCLUDING DIRECT, INDIRECT, CONSTRUCTION ETC.</p>

**We know which jobs figure we'd use...**

**#FACTSFIGHTBACK**

The Australia Institute  
Research that matters.

## IT'S NOT EVERY DAY THE AUSTRALIA INSTITUTE FACT-CHECKS THE PRIME MINISTER ON NATIONAL TELEVISION.



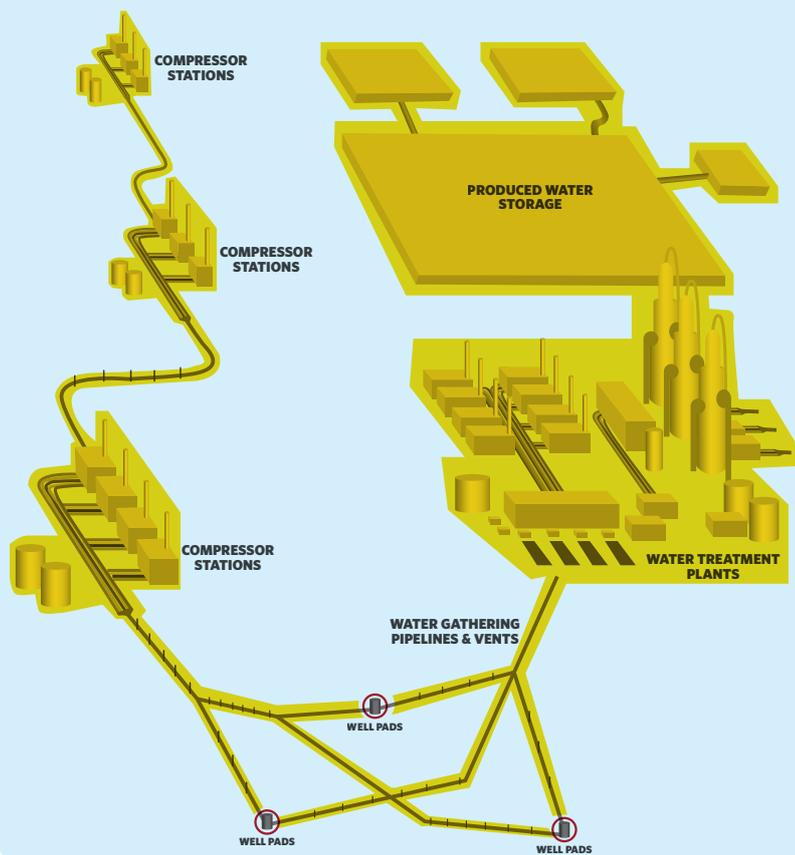
# REFORMING AUSTRALIA'S ENERGY MARKET

Our open letter to the Prime Minister on how to start fixing Australia's energy market before next Summer -- calling for three market reforms to address the 'energy trilemma': security, cost and emissions -- lead the debate on energy market reform. Prominent signatories included Former Liberal Party leader John Hewson.

## CSG FUGITIVE EMISSIONS WHAT ARE WE NOT COUNTING?

In Australia, the CSG industry is responsible for counting fugitive emissions produced by CSG, all the fugitive emissions in the yellow area are not counted. In fact, only fugitive emissions from the well pads (0.0058% of produced gas) is counted.

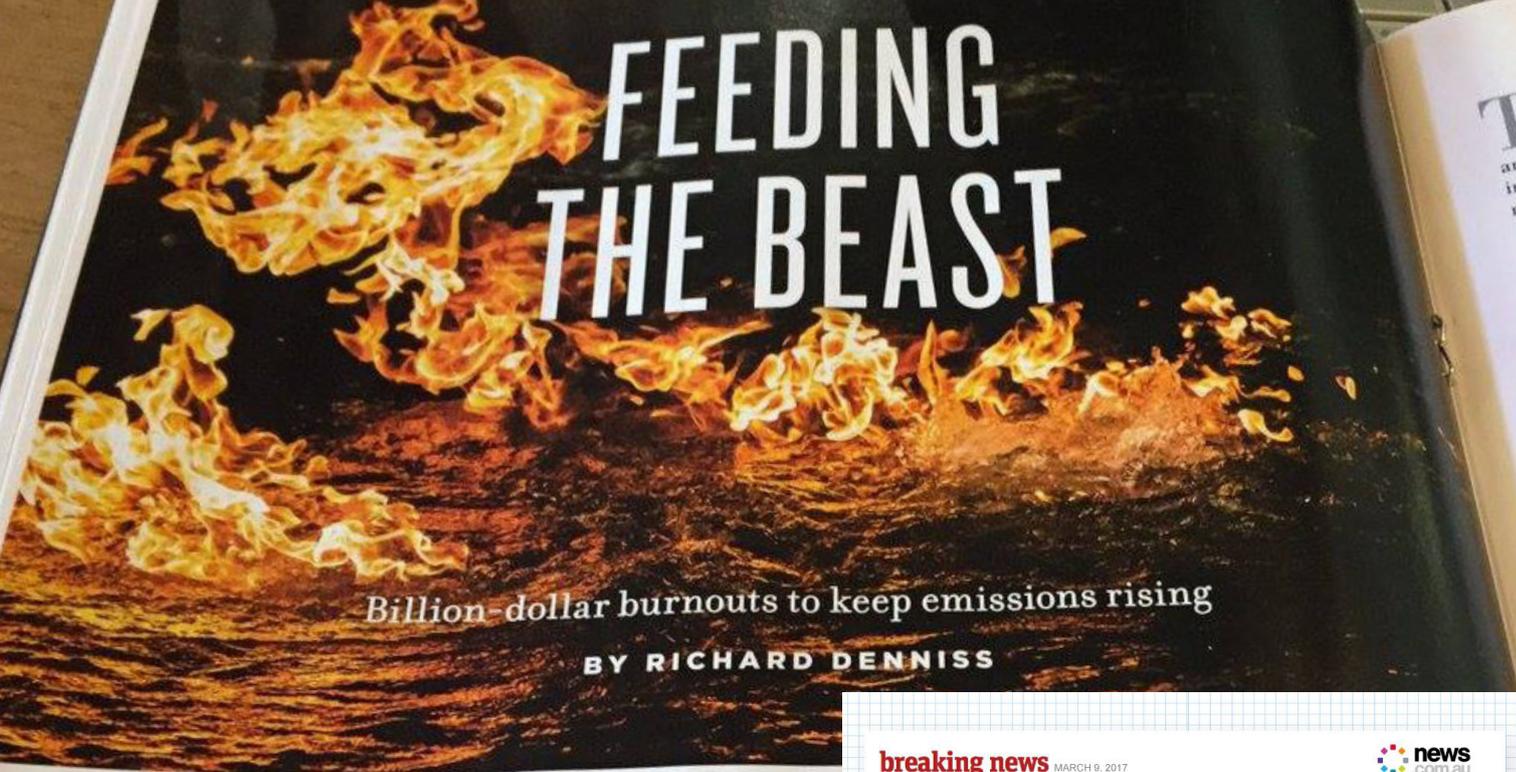
FUGITIVE EMISSIONS: ● NOT COUNTED ○ COUNTED



## WHAT AREN'T WE COUNTING? →

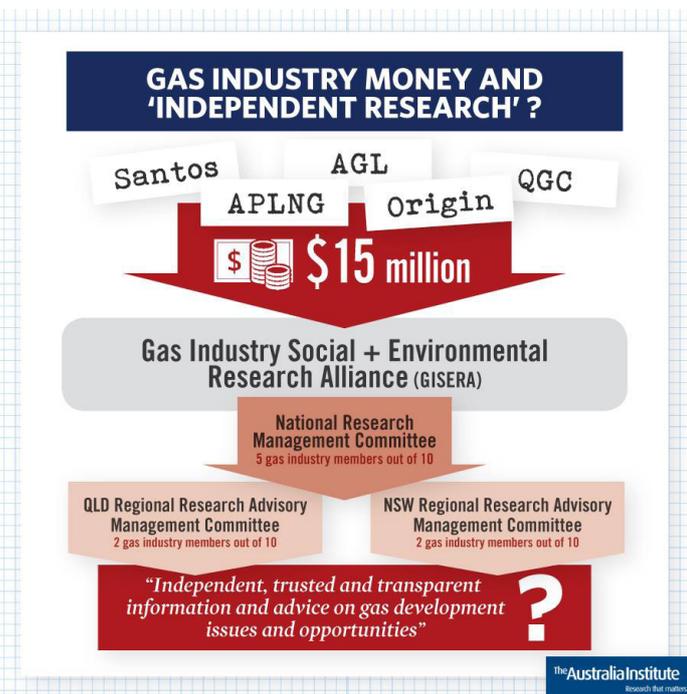
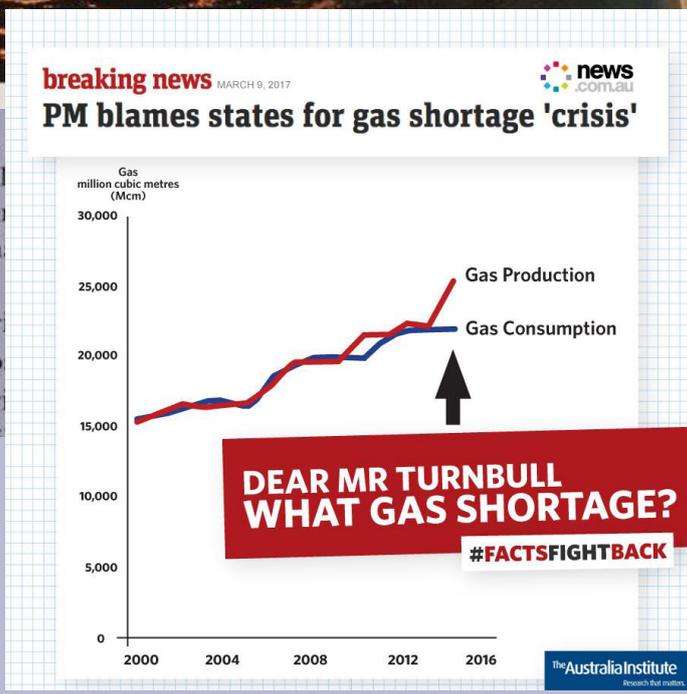
Our research showed how the Coal Seam Gas (CSG) industry hide unconventional gas emissions.

The trick is they just don't count them.



# AUSTRALIA'S SO-CALLED GAS CRISIS

Our research continues to bust the myth of Australia's so-called gas crisis. The scapegoating of state moratoriums and the alleged supply shortage for what, in actuality, is a gas price crisis, caused by private companies exporting the lion's share of Australia's gas.



# GAS INDUSTRY 'INDEPENDENT RESEARCH'

Our research shows gas industry funding and direct involvement in research committees of the Gas Industry Social and Environmental Research Alliance (GISERA), the research body that conducts research on social and environmental impacts of CSG, is potentially compromising the scientific independence of CSIRO.

The five main Queensland gas companies provide the lion's share of funding to GISERA. Gas industry executives sit on all the committees overseeing research projects, including making up half of the National Research Management Committee.

# INTRODUCING THE NATIONAL ENERGY EMISSIONS AUDIT

## NATIONAL ENERGY EMISSIONS AUDIT

The Australia Institute has launched the National Energy Emissions Audit (The Audit), written by respected energy analyst and ANU Honorary Associate Professor, Dr Hugh Saddler, which tracks Australia's emissions of greenhouse gases from the combustion of fossil fuels.

The Audit will be published on a quarterly basis, in September, December, March and June each year. In each intermediate month the NEEA Electricity Update will report on changes to emissions from electricity generation in the National Electricity Market (NEM).

## THE FUTURE OF THE ABC

The Australia Institute's research shows that the ABC is Australia's most trusted broadcaster. At a time when so-called 'fake news' is at an all time high, there has never been a greater need for a strong, independent and trusted national broadcaster.

With the ABC's new leadership direction and being under more technological, financial and political pressure than ever before, we hosted a public forum to discuss the future of the ABC.

## THE FUTURE OF THE ABC

with **QUENTIN DEMPSTER** JOURNALIST & AUTHOR  
**MARGARET REYNOLDS** NATIONAL PRESIDENT, ABC FRIENDS  
FORMER SENATOR  
**RANALD MACDONALD** ABC FRIENDS  
FORMER MANAGING DIRECTOR, THE AGE

**6.30pm Wednesday 22 March**  
**at Eastlake Football Club**

3 Oxley Street, Kingston (behind the Kingston Hotel)

**FREE** but bookings essential  
> [http://theaus.in/pip\\_abc](http://theaus.in/pip_abc)



# THE POLITICAL DEATH OF THE SOUTH AUSTRALIA NUCLEAR DUMP

THE AUSTRALIAN 

## Citizens' jury questions economics of SA nuclear dump

The idea that importing the world's nuclear waste could be great for South Australia's economy has been a hard one to kill. Politicians from both major parties seriously considered this, with a senior Labor member even claiming this could bring the legendary Very Fast Trains, and trams to Mount Gambier.

In November 2016, 350 members of the community, assembled together as a 'citizens' jury', handed the SA Government a "stunning and overwhelming rejection" of its plans to build nuclear waste dump in South Australia.

The citizens' jury's task was to consider whether South Australia should import high level nuclear waste from other countries and bury it for money. After hearing about the proposal from various experts, more than two thirds of them said no — not "under any circumstances".

The Australia Institute's involvement focused on an area that no one else was challenging: the dodgy economic modelling and heroic estimates of how much money the nuclear waste dump would deliver to South Australia.

Our Chief Economist, Dr. Richard Denniss addressed the citizens' jury, highlighting a few key points:

- The economic modelling supporting the claims of hundreds of billion dollars in benefits was deeply flawed.
- Claims of \$100 billion in profit were based on a modelling assumption that no other states or countries would ever compete with SA on price, even though cheaper options are available.
- The project was risky, involving high level waste being stored in above-ground 'temporary' storage for over 100 years.
- That parts of the Nuclear Royal Commission's report had actually been written by nuclear industry lobbyists.

Richard's appearance was just the latest part of our involvement in the SA nuclear debate. In July, Rod Campbell had addressed an earlier Citizens' Jury, leading to the headline in The Australian: Citizens' jury questions economics of SA nuclear dump.

Our earlier submission on the economics of the dump and headline appearance on Today Tonight made a big impact, with the Royal Commissioner, Kevin Scarce, saying he would take our submission "apart, piece by piece." We have also had a number of opinion pieces published on the subject.

Commissioner Scarce never did find anything wrong with our submission. But the citizens of South Australia have taken his work apart, piece by flawed piece. The Citizen's Jury final report outlined concerns about the lack of consent from the Traditional Owners and showed that while 70% opposed the nuclear waste dump, 82% thought the economic case made was weak. Here's a quote from the jury's final report:

"It is impossible to provide an informed response to the issue of Economics because the findings in the RCR are based on unsubstantiated assumptions. This has caused the forecast estimates to provide inaccurate, optimistic, unrealistic economic projections."

The SA Government should now dump its plans for a nuclear waste dump.

The Australia Institute aims to produce research that matters, and this is a case where we can see how lots of hard work over a long period changes minds. The Citizens' Jury is to be congratulated for delivering a big win for the South Australian taxpayer, the Traditional Owners, the environment and common sense.

---

**"A stunning and overwhelming rejection"**

---

# JUBILEE AUSTRALIA RESEARCH CENTRE

## EFIC & THE BOIKARABELO COAL MINE

For a decade, Jubilee Australia has scrutinised Australia's export credit agency, Efic, and criticised its tendency to finance environmentally and socially disastrous projects such as the Ok Tedi and Panguna mines in PNG and Bougainville. Even Jubilee Director Luke Fletcher was surprised and appalled by Efic's proposal to use Australian taxpayers' money to fund a new coal mine in South Africa. Jubilee and the Australia Institute team wrote a string of articles, submissions and reports and engaged closely with Senators from three parties to question Efic at Senate Estimates. In Budget Estimates in early June, Efic told the Senate that they were currently not progressing the mine's application for a loan. In 2017-18, we will be pushing for Efic to commit to not funding Boikarabelo and better still, No New Coal Mines at all.

### THIS YEAR, JUBILEE HAS →

- Investigated the question of unpaid royalties to PNG landowners, who have not yet received any of the \$400 million Kina payments (AU\$200,000) that should be coming to them.
- Probed Oil Search about payments it has made to PNG security forces which appear to be connected to the increase in violence in the project area as a result of the non-payment of royalties; these are likely to be 'facilitation payments' which we believe to be illegal under PNG law.
- Raised both these matters at the Oil Search AGM in Port Moresby on 19 May, in partnership with the Australasian Centre for Corporate Responsibility.
- Briefed Senator Scott Ludlam who interrogated Efic about its position on the royalty payments and the payments to the PNG security forces.

*The Sydney Morning Herald*

## Rio Tinto's billion-dollar mess: 'unprincipled, shameful and evil'

Daniel Flitton AUGUST 21 2016

## JUBILEE HONOURED WITH IMPACT EXCELLENCE AWARD

Jubilee Australia's work on Bougainville was recognised with a Research Impact Excellence Award from Ulster University, in Belfast in May 2016.

The honour was awarded jointly to Jubilee Australia and Dr Kristian Lasslett, a lecturer in Criminology at Ulster University, in the category of social renewal. The award was given principally for the research and outreach that Jubilee has done with landowner groups in Bougainville since 2013.

The announcement came just a few weeks after the revelation that Jubilee's more controversial work on Bougainville has been vindicated by research done by the United Nations Development Programme.

Dr Lasslett, who was there to receive the award, said it was 'a very pleasant surprise' and that it was a testimony to Jubilee's 'dogged resilience' in the face of criticism.

# CENTRE FOR FUTURE WORK

The Centre for Future Work has played a crucial role supporting the union movement's campaign to defend penalty rates, following the Fair Work Commission's (FWC) decision to cut Sunday and holiday penalties in the retail and hospitality sectors.

We provided widely reported media content in response to the initial decision, including a commentary piece that appeared the next weekend (February 25) in three Fairfax newspapers.

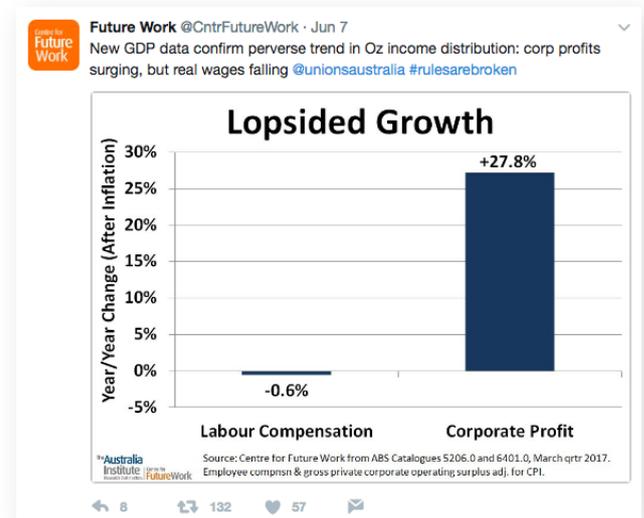
We developed an in-depth analysis of the disproportionate gender impacts of the FWC's decision (given the large number of women working in retail and hospitality) that received additional extensive media coverage. Then we developed a critique of proposals (by the government and others) to "phase in" lower penalty rates showing these measures could not avoid the ultimate harm that will be done to workers and their families. This generated strong media coverage on two occasions: March 23 in *The Age* and the *Sydney Morning Herald*, and then again on June 9 in *The Australian*.

We developed and circulated a public letter debunking the core idea that lower penalty rates will spur job creation.

We obtained the signatures of 78 Australian economists on the letter (including former Reserve Bank Governor Bernie Fraser), which then generated major media coverage (including front-page stories in *The Age* and the *Sydney Morning Herald* on April 7).



We conducted additional research into the potential for lower penalty rates to spill over into other sectors of the economy, showing that \$14 billion in annual penalty pay would be at risk if the general principle of paying extra for weekend work is whittled away; this report was covered in several papers on May 2.



Above: First graduating class from 'Economics for Unionists,' offered in conjunction with ACTU.

Syndicated  
to

**6530**

different bands,  
frequencies and  
websites

**3697**

Press Clip  
Mentions

# IN THE MEDIA AND ONLINE

**\$37,207,943**

ASR value  
(Advertising Space Rate)

**46,240,700**

total audience

...shows how tax benefits will cost the budget \$37.4 billion this financial year, and lock the under 30s out of wealth

Boost regional ABC funding: the

Think tanks calling the shots  
A new political nous

Tax breaks on rentals and super unfair to young  
EXCLUSIVE  
• Comment: Negative gearers aren't poor

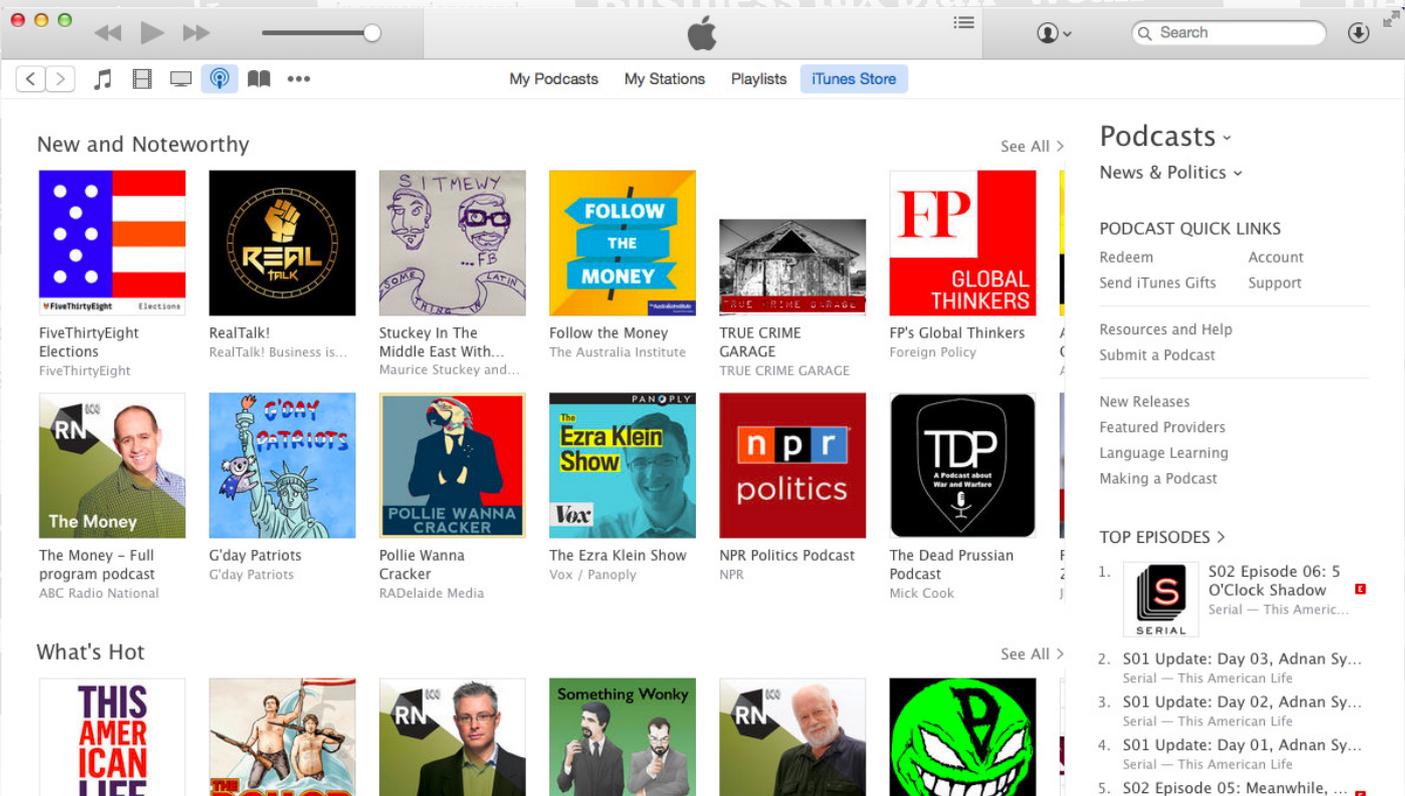
Economy Study raises questions about government's tax package

Business tax plan 'weak'

RETIRED  
Fair go for

These be lea

tion is



Leaders vie to score goals in women's sport

Voters in blue-ri strongly support

Income tax Analysis released  
**Bracket creep**

Banning new coal mines

**AND OUR PODCAST WAS DOWNLOADED OVER 2000 TIMES PER EPISODE >**



Cutting business taxes doesn't lead to growth: study

Why we must scrutinise the would-be senators

Australia's breakdown king David Pocock more co about climate change than facing All Blacks

From Page 1

The real

# THANK YOU FOR YOUR SUPPORT

## WITHOUT YOU NONE OF OUR IMPACT WOULD HAVE BEEN POSSIBLE

For over two decades, the independent thinking of The Australia Institute has been powered by the support of individuals and philanthropic trusts.

**9,152**  
Donations

From  
**2,728**  
Individual Donors

Including  
**1,155**  
People who donated  
for the first time



Your support has allowed us to confront some of the greatest public policy challenges this country faces, without prejudice.

Supporters of The Australia Institute understand the power of ideas; donations large and small all contribute to make our research possible.

This financial year, we significantly increased our number of individual supporters making monthly, tax-deductible donations to the Institute.

Building our monthly donation base is a critical part of securing organisational funding for the Institute, allowing us to forward plan and realise more long-term research goals.

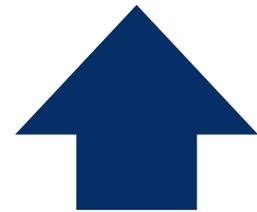
This year our *Institute Insider* regular monthly donor program, saw our regular givers



‘The Australia Institute tells us what we need to know before we even know we need to know it.’

— *Institute Insider supporter*

**INCREASE  
BY 28%**



## REGULAR CONTRIBUTIONS MATTER.

Research that matters doesn't happen overnight. Regular monthly donations mean that we can budget for the future, make forward plans, and helps us safeguard our research program.

— **ROD CAMPBELL, DIRECTOR OF RESEARCH**



## WILL YOU HELP SUPPORT RESEARCH THAT MATTERS?

Visit <http://theaus.in/regular-donor> or give us a call on (02) 6130 0530



All donations over \$2 are tax deductible. The Australia Institute has DGR status and is registered with the Australian Charities and Not-for Profits Commission.

# CORPORATE GOVERNANCE

The Australia Institute recognises its responsibility to maintain corporate governance practices that are robust, accountable and of a standard that meets the expectations of its stakeholders. The Institute's board and its staff are committed to implementing high standards of corporate governance and will continue to work towards achieving this.

## OUR CORPORATE GOVERNANCE POLICY

The principles of good corporate governance comprise an effective, accountable and ethical decision-making process focused on meeting the Institute's corporate objectives. These are outlined in the various documents that have been developed to guide the work of the Institute and the operations of its staff.

The Constitution outlines the main corporate governance responsibilities and practices are in place for the Institute and to which both the Board collectively, and the Directors individually, are committed.

The role of the Board is to govern the organisation, rather than to manage its day-to-day activities. The Board is committed to fulfilling its duties to the organisation, observing all relevant laws and regulations, and providing employees with a safe and rewarding place in which to work.

The Institute is committed to promoting ethical and responsible decision-making and procedures in relation to the research it carries out and the reports it publishes. Its activities are governed by the highest standards of reporting, based on exhaustively researched topics and constructive and unbiased conclusions.

## OUR BOARD OF DIRECTORS

All non-executive Directors volunteer their time, and receive no remuneration for serving on the Institute's board. The Executive Director of the Institute serves as an ex-officio member of the Board.

## MEETING OF DIRECTORS IN 2016-17

Our Board met on the following dates:

Directors	19 Jul	26 Oct	10 Feb	7 Jun	Total
Dr John McKinnon ( <i>Chair</i> )	1	1	1	1	4
Professor Barbara Pocock ( <i>Deputy Chair</i> )	1	1	1	1	4
Dr Elizabeth Cham	1	1	1	1	4
Mr Andrew Dettmer	1	1	0	1	3
Dr David Morawetz	1	1	1	0	3
Ms Lee Thomas	1	1	0	0	2
Dr Samantha Hardy	0	-	-	-	0
Professor Spencer Zifcak	1	0	-	-	1
Mr Josh Bornstein	-	0	1	1	2
Dr Elizabeth Hill	-	0	1	1	2

### **Ceased --**

*Professor Spencer Zifcak resigned from the Board effective 31 October 2016.  
Ms Samantha Hardy resigned from the Board effective 24 October 2016.*

### **Commenced --**

*Mr Josh Bornstein was appointed to the Board on 26 October 2016.  
Dr Elizabeth Hill was appointed to the Board on 26 October 2016.*

## RESEARCH COMMITTEE

The Research Committee approves the Institute's research priorities and activities funded from the Research Fund. The Research Committee met twice in 2016-17 in July and December. Membership of the Research Committee is subject to the prior approval of the Australian Government and members are nominated on the basis of their proven ability to direct a research program, as evidenced by their academic qualifications and professional appointments.

Research committee members for 2016-17 were: Professor Jon Altman, Dr Hugh Saddler, Dr Richard Denniss, Emeritus Professor Alastair Greig, Professor Barbara Pocock, Professor Spencer Zifcak and Professor Hilary Bambrick.

## MANAGEMENT

Executive Director Ben Oquist and Deputy Director Ebony Bennett led the day to day operations of the Institute throughout 2016-17.

# ANNUAL FINANCIAL REPORT

For the Year Ended  
30 June 2017

The Australia Institute Limited  
ACN 061 969 284

**2016-17  
FINANCIAL  
YEAR**

**The Australia Institute**

Research that matters.

# TABLE OF CONTENTS

**THE AUSTRALIA INSTITUTE LIMITED**  
**ACN 061 969 284**

**TABLE OF CONTENTS**

Directors' Report	3
Auditor's Independence Declaration	5
Independent Audit Report	6
Directors' Declaration	8
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

# DIRECTORS' REPORT

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

## DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2017.

### Directors

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

Barbara Ann Pocock  
David Morawetz  
Elizabeth Cham  
John Edward McKinnon  
Leanne (Lee) Thomas  
Andrew Dettmer  
Joshua Bornstein  
Elizabeth Hill

Ebony Bennett (Company Secretary)

### Principal Activities

The principal activities of the Company during the year were Research and Development.

There has been no significant change in the nature of these activities during the year.

### Objectives

The Australia Institute seeks to inform public debate and bring greater accountability to the democratic process. The Institute is determined to push public debate beyond the simplistic question of whether markets or governments have all the answers to more important questions: When does government need to intervene in the market? When should it stand back? And when regulation is needed, what form should it take?

### Strategy for Achieving the Objectives

1. Produce high quality research which positively influences policy and informs public debate.
2. Effectively communicate research findings to key policy makers, NGOs, academics and the broader community in order to effect policy change.
3. Sustain strategic relationships with targeted individuals/organisations
4. Increase fundraising in order to develop the Institute's resource base.

### Results

The net profit for the group for the year ended 30 June 2017 was \$679,465 (2016: profit \$604,572).

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Attended	Held
Barbara Ann Pocock	4	4
David Morawetz	3	4
Elizabeth Cham	4	4
John Edward McKinnon	4	4
Leanne (Lee) Thomas	2	4
Andrew Dettmer	3	4
Joshua Bornstein	2	3
Elizabeth Hill	2	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Contributions on winding up**

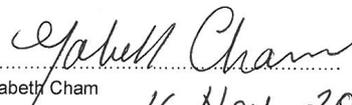
In the event of the company being wound up, members are required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after the Directors' Declaration.

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

  
.....  
John Edward McKinnon

  
.....  
Elizabeth Cham  
16 Nov 2017.

Dated this 16th Day of November 2017

# AUDITOR'S INDEPENDENCE DECLARATION

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial statements of The Australia Institute Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**



**GED STENHOUSE**  
Partner

Canberra, Australian Capital Territory  
Dated: 21 November 2017

# INDEPENDENT AUDITOR'S REPORT

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
THE AUSTRALIA INSTITUTE LIMITED**

## **Opinion**

We have audited the financial report of The Australia Institute Limited and its Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

## **Basis for Opinion**

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

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

## **Directors' Responsibilities for the Financial Report**

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

**RSM AUSTRALIA PARTNERS**



**GED STENHOUSE**  
Partner

Canberra, Australian Capital Territory  
Dated: 21 November 2017

# DIRECTORS' DECLARATION

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with Australian Charities and Not-for-profits Commission Act 2012:
  - a. Comply with Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.
  - b. Give a true and fair view of the financial position as at 30 June 2017 and the performance for the year on that date of the Company.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

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

  
.....  
John Edward McKinnon

  
.....  
Elizabeth Cham 16 Nov 2017.

Dated this 16<sup>th</sup> day of November 2017

# STATEMENT OF PROFIT & LOSS

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Consolidated		The Australia Institute	
		2017 \$	2016 \$	2017 \$	2016 \$
Revenue from ordinary activities	2	3,544,320	3,427,344	3,462,215	3,333,168
Employee expenses		(1,808,210)	(1,590,482)	(1,808,210)	(1,590,482)
Depreciation		(16,315)	(8,622)	(16,315)	(8,622)
Occupancy expenses		(57,266)	(59,652)	(36,134)	(30,808)
Other expenses	3	(983,064)	(1,164,016)	(964,420)	(1,157,449)
		<u>(2,864,855)</u>	<u>(2,822,772)</u>	<u>(2,825,079)</u>	<u>(2,787,361)</u>
Profit for the financial year		<u>679,465</u>	<u>604,572</u>	<u>637,136</u>	<u>545,807</u>
Other Comprehensive Income		-	-	-	-
Profit attributable to members		<u>679,465</u>	<u>604,572</u>	<u>637,136</u>	<u>545,807</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated		The Australia Institute	
	Note	2017	2016	2017	2016
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	2,777,703	2,066,872	2,675,912	2,009,259
Trade and other receivables	5	169,726	186,922	166,242	181,589
<b>TOTAL CURRENT ASSETS</b>		<b>2,947,429</b>	<b>2,253,794</b>	<b>2,842,154</b>	<b>2,190,848</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant & equipment	6	41,088	12,933	41,088	12,933
<b>TOTAL NON-CURRENT ASSETS</b>		<b>41,088</b>	<b>12,933</b>	<b>41,088</b>	<b>12,933</b>
<b>TOTAL ASSETS</b>		<b>2,988,517</b>	<b>2,266,727</b>	<b>2,883,242</b>	<b>2,203,781</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	7	78,897	56,362	78,897	56,362
Provisions	8	137,254	127,772	137,254	127,772
<b>TOTAL CURRENT LIABILITIES</b>		<b>216,151</b>	<b>184,134</b>	<b>216,151</b>	<b>184,134</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	8	51,105	40,797	51,105	40,797
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>51,105</b>	<b>40,797</b>	<b>51,105</b>	<b>40,797</b>
<b>TOTAL LIABILITIES</b>		<b>267,256</b>	<b>224,931</b>	<b>267,256</b>	<b>224,931</b>
<b>NET ASSETS</b>		<b>2,721,261</b>	<b>2,041,796</b>	<b>2,615,986</b>	<b>1,978,850</b>
<b>EQUITY</b>					
Retained Earnings		2,721,261	2,041,796	2,615,986	1,978,850
<b>TOTAL EQUITY</b>		<b>2,721,261</b>	<b>2,041,796</b>	<b>2,615,986</b>	<b>1,978,850</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY

**THE AUSTRALIA INSTITUTE LIMITED**  
ACN 061 969 284

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2017**

	Consolidated		The Australia Institute	
	Retained Earnings	Total	Retained Earnings	Total
	\$	\$	\$	\$
<b>Balance at 30 June 2015</b>	1,437,224	1,437,224	1,433,043	1,433,043
Surplus attributable to members	604,572	604,572	545,807	545,807
<b>Balance at 30 June 2016</b>	<u>2,041,796</u>	<u>2,041,796</u>	<u>1,978,850</u>	<u>1,978,850</u>
<b>Balance at 30 June 2016</b>	2,041,796	2,041,796	1,978,850	1,978,850
Surplus attributable to members	679,465	679,465	637,136	637,136
<b>Balance at 30 June 2017</b>	<u>2,721,261</u>	<u>2,721,261</u>	<u>2,615,986</u>	<u>2,615,986</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOW

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated		The Australia Institute	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Cash flow from operating activities</b>				
Receipts from operations	3,570,011	3,575,587	3,471,029	3,489,604
Payments to suppliers and employees	(2,855,377)	(2,988,830)	(2,800,254)	(2,953,419)
Interest received	41,517	42,774	41,198	37,893
Net cash provided by operating activities	756,151	629,531	711,973	574,078
<b>Cash flow from investing activities</b>				
Payment for property, plant and equipment	(45,320)	-	(45,320)	-
<b>Net cash provided by/(used in) investing activities</b>	<b>(45,320)</b>	<b>-</b>	<b>(45,320)</b>	<b>-</b>
<b>Net increase in cash</b>	710,831	629,531	666,653	574,078
Cash and cash equivalents at beginning of the financial year	2,066,872	1,437,341	2,009,259	1,435,181
<b>Cash and cash equivalents at end of the financial year</b>	<b>2,777,703</b>	<b>2,066,872</b>	<b>2,675,912</b>	<b>2,009,259</b>

The above statement of cash flow should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations.

The financial report covers The Australia Institute Limited as an individual parent entity and The Australia Institute and controlled entity, Jubilee Australia Research Centre Limited, as an economic entity.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Consolidation

The consolidated financial statements as at 30 June 2017 comprise The Australia Institute and its controlled entity (together referred to as "the Group"). Refer to Note 11 (b) for further information of the controlled entity.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by The Australia Institute as at 30 June 2017 and the results of the controlled entities for the year then ended. Subsidiaries are consolidated from the date on which control is obtained through to the date on which control ceases. The Group applies consistent accounting policies and the effects of all transactions and balances between the entities are eliminated in full.

#### (b) New Australian Accounting Standards

##### Adoption of new Australian Accounting Standard requirements

No Accounting Standard has been adopted earlier than the application date as stated in the standard. The Australia Institute has reviewed new standards, revised standards and interpretations/amending standards issued prior to the signing of the financial statements.

#### (c) Income tax

The Company is considered to be exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

#### (d) Property, plant and equipment

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use.

The carrying amount of fixed assets is reviewed annually by the General Committee to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

# NOTES TO THE FINANCIAL STATEMENTS

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation Rate
Office equipment, furniture and fittings	40%

#### (f) Receivables

Trade accounts and other receivables represent the principal amounts due at balance date, plus if applicable any unearned income.

#### (g) Employee benefits

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at their nominal amount.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

#### (h) Cash and cash equivalents

Cash and cash an equivalent includes cash on hand, deposits held at-call with banks, and on deposit.

#### (i) 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.

#### (j) Revenue

Donations are recognised as revenue when received. Interest revenue is recognised using the effective interest method.

Revenue from the provision of goods and services is recognised on provision of these goods and services to customers.

Non-reciprocal grant revenue is recognised in profit or loss 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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

**THE AUSTRALIA INSTITUTE LIMITED**  
ACN 061 969 284

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(l) Contingent liabilities**

A contingent loss is recognised as an expense and a liability if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability incurred and, a reasonable estimate of the amount of the resulting loss can be made.

**(m) Events after balance date**

Assets and liabilities are adjusted for events occurring after balance date that provide evidence of conditions existing at the balance date.

No matter or circumstance has arisen since the end of the financial year which significantly affects or may affect the operation of the Company the results of the year or the state of affairs of the Company.

	<b>Consolidated</b>		<b>The Australia Institute</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE</b>				
Donations	3,002,688	2,514,501	2,920,902	2,425,206
Interest received	41,517	42,774	41,198	37,893
Publications	10,786	8,348	10,786	8,348
Royalties	4,895	1,723	4,895	1,723
Other income	484,434	859,998	484,434	859,998
	<u><b>3,544,320</b></u>	<u><b>3,427,344</b></u>	<u><b>3,462,215</b></u>	<u><b>3,333,168</b></u>

**NOTE 3: OTHER EXPENSES**

Consultants	(6,453)	(59,954)	(6,453)	(59,954)
Commissioned research	(298,834)	(435,806)	(298,834)	(435,806)
Postage, printing and stationary	(25,055)	(31,040)	(22,630)	(29,578)
Promotions	(35,734)	(35,120)	(35,734)	(35,120)
Superannuation	(169,278)	(149,723)	(169,278)	(149,723)
Telecommunications	(50,452)	(57,854)	(50,452)	(57,854)
Travel, accommodation and conferences	(229,349)	(252,281)	(221,273)	(249,371)
Other expenses	(167,909)	(142,238)	(159,766)	(140,043)
	<u><b>(983,064)</b></u>	<u><b>(1,164,016)</b></u>	<u><b>(964,420)</b></u>	<u><b>(1,157,449)</b></u>

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash at bank	2,153,051	1,458,163	2,051,255	1,400,545
Cash on hand	300	445	300	445
Term deposits	624,352	608,264	624,357	608,269
	<u><b>2,777,703</b></u>	<u><b>2,066,872</b></u>	<u><b>2,675,912</b></u>	<u><b>2,009,259</b></u>

# NOTES TO THE FINANCIAL STATEMENTS

**THE AUSTRALIA INSTITUTE LIMITED**  
ACN 061 969 284

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 5: TRADE AND OTHER RECEIVABLES**

Paypal receivable	150,334	92,196	146,850	86,947
Prepayments	4,126	25,615	4,126	25,613
Provision for doubtful debts	-	(3,000)	-	(3,000)
Rental deposit	3,025	3,025	3,025	3,025
Trade debtors	12,241	69,086	12,241	69,004
	<u>169,726</u>	<u>186,922</u>	<u>166,242</u>	<u>181,589</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 with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the association 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 association.

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

<b>NOTE 6: PROPERTY, PLANT AND EQUIPMENT</b>	<b>Consolidated</b>		<b>The Australia Institute</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Plant and equipment				
At cost	80,638	74,670	80,638	74,670
Accumulated depreciation	(39,550)	(61,737)	(39,550)	(61,737)
	<u>41,088</u>	<u>12,933</u>	<u>41,088</u>	<u>12,933</u>

**Movements in Plant & Equipment Carrying Amounts**

Reconciliation of movements in the carrying amounts of property, plant and equipment between the beginning and the end of the current financial year.

<b>Plant and equipment</b>	<b>Consolidated</b>	<b>The Australia Institute</b>
Balance at the beginning of the year	12,933	12,933
Additions	45,320	45,320
Disposals	(850)	(850)
Depreciation expense	(16,315)	(16,315)
<b>Carrying amount at the end of the year</b>	<u><b>41,088</b></u>	<u><b>41,088</b></u>

**NOTE 7. TRADE AND OTHER PAYABLES**

Trade creditors and accruals	80,217	22,729	80,217	22,729
GST liability(receivable)	(1,320)	33,633	(1,320)	33,633
	<u>78,897</u>	<u>56,362</u>	<u>78,897</u>	<u>56,362</u>

**THE AUSTRALIA INSTITUTE LIMITED**  
ACN 061 969 284

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Consolidated		The Australia Institute	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>NOTE 8: PROVISIONS</b>				
<b>CURRENT</b>				
Provision for annual leave	137,254	127,772	137,254	127,772
	<u>137,254</u>	<u>127,772</u>	<u>137,254</u>	<u>127,772</u>
<b>NON CURRENT</b>				
Provision for long service leave	51,105	40,797	51,105	40,797
	<u>51,105</u>	<u>40,797</u>	<u>51,105</u>	<u>40,797</u>
<b>Total Provisions</b>	<u><u>188,359</u></u>	<u><u>168,569</u></u>	<u><u>188,359</u></u>	<u><u>168,569</u></u>

**NOTE 9: CAPITAL AND LEASING COMMITMENTS**

*Operating Lease Commitments*

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

No later than one year	44,376	-	44,376	-
Later than one year but not later than 5 years	199,366	-	199,366	-
<b>Minimum lease payments</b>	<u><u>243,742</u></u>	<u><u>-</u></u>	<u><u>243,742</u></u>	<u><u>-</u></u>

**NOTE 10: MEMBERS' LIABILITY**

The Company is limited by guarantee. Upon winding up the constitution provides that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At the 30th June 2017 there were 9 members.

**NOTE 11 (a) : RELATED PARTY TRANSACTIONS**

The Directors during the year ended 30 June 2017 were:

Barbara Ann Pocock	Andrew Dettmer
David Morawetz	Joshua Bornstein
Elizabeth Cham	Elizabeth Hill
John Edward McKinnon	Ebony Bennett (Company Secretary)
Leanne (Lee) Thomas	

The Directors of The Australian Institute Limited did not receive any remuneration from the Company during the year in their capacity as Directors.

**Key Management Personnel**

Key management personnel comprise Directors and other key persons having authority and responsibility for planning, directing and controlling the activities of the organisation.

# NOTES TO THE FINANCIAL STATEMENTS

THE AUSTRALIA INSTITUTE LIMITED  
ACN 061 969 284

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11 (a) : RELATED PARTY TRANSACTIONS (Continued)

	Consolidated		The Australia Institute	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Key Management Personnel Compensation Summary</b>				
Short Term Employee Benefits	458,473	394,883	458,473	394,883
Long Term Employee Benefits	-	-	-	-
	<u>458,473</u>	<u>394,883</u>	<u>458,473</u>	<u>394,883</u>

NOTE 11 (b) : CONTROLLED ENTITIES

Jubilee Australia Research Centre Limited is a public company limited by guarantee and is 100% controlled by The Australia Institute Limited.

NOTE 12: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Note	Consolidated		The Australia Institute	
		2017	2016	2017	2016
		\$	\$	\$	\$
Cash at bank	4	2,153,051	1,458,163	2,051,255	1,400,545
Cash on hand	4	300	445	300	445
Term deposits	4	624,352	608,264	624,357	608,269
		<u>2,777,703</u>	<u>2,066,872</u>	<u>2,675,912</u>	<u>2,009,259</u>

(b) Reconciliation of cash flow from operations

**Profit from operating activities** 679,465 604,572 637,136 545,807

**Non-cash flows in profit from ordinary activities:**

Depreciation 16,315 8,622 16,315 8,622  
Loss on disposal of assets 850 - 850 -

**Changes in assets and liabilities:**

Decrease in receivables 17,196 104,010 15,347 107,322  
(Decrease)/Increase in payables 22,535 (97,191) 22,535 (97,191)  
Increase in provisions 19,790 9,518 19,790 9,518

**Net cash provided by operating activities** 756,151 629,531 711,973 574,078

**THE AUSTRALIA INSTITUTE LIMITED**  
ACN 061 969 284

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 13: FINANCIAL RISK MANAGEMENT**

**(i) Financial risk management policies**

The Company's financial instruments consist mainly of cash and deposits at bank, trade debtors, and trade creditors. The Board of Directors meet on a regular basis to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The total of each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are detailed below:

	Consolidated		The Australia Institute	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	2,777,703	2,066,872	2,675,912	2,009,259
Trade and other receivables	169,726	186,922	166,242	181,589
	<u>2,947,429</u>	<u>2,253,794</u>	<u>2,842,154</u>	<u>2,190,848</u>
<b>Financial liabilities</b>				
Trade and other payables	78,897	56,362	78,897	56,362
	<u>78,897</u>	<u>56,362</u>	<u>78,897</u>	<u>56,362</u>

**(ii) Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

**(iii) Liquidity risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting related to financial liabilities. The association manages this risk through the following mechanisms:

- 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; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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

	CURRENT		NON-CURRENT		Total Cash Flow	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade & other payables	78,897	56,362	-	-	78,897	56,362
<b>Total expected outflows</b>	<u>78,897</u>	<u>56,362</u>	<u>-</u>	<u>-</u>	<u>78,897</u>	<u>56,362</u>
<b>Financial assets - cash flow realisable</b>						
Cash and cash equivalents	2,777,703	2,066,872	-	-	2,777,703	2,066,872
Trade & other receivables	169,726	186,922	-	-	169,726	186,922
<b>Total expected inflows</b>	<u>2,947,429</u>	<u>2,253,794</u>	<u>-</u>	<u>-</u>	<u>2,947,429</u>	<u>2,253,794</u>
<b>Net (outflow)/inflow on financial instruments</b>	<u>2,868,532</u>	<u>2,197,432</u>	<u>-</u>	<u>-</u>	<u>2,868,532</u>	<u>2,197,432</u>

# NOTES TO THE FINANCIAL STATEMENTS

**THE AUSTRALIA INSTITUTE LIMITED**  
**ACN 061 969 284**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**(iv) 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.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

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

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements. The Company does not have any material credit risk exposure to any single debtor or group of debtors.

**NOTE 14: CONTINGENT LIABILITIES**

The Company had no contingent liabilities as at 30 June 2017

**NOTE 15: COMMITMENTS FOR EXPENDITURE**

The Company had no commitments for expenditure as at 30 June 2017.

**NOTE 16. EVENTS OCCURRING AFTER THE REPORTING DATE**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**NOTE 17. REGISTERED OFFICE AND COMPANY DETAILS**

The registered office and principal place of business of the Company is:  
Level 1 Endeavour House  
1 Franklin St  
Manuka  
ACT 2603



