

06
07

Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Education, Science and Training

Scope

I have audited the accompanying financial statements of Australian Institute of Aboriginal and Torres Strait Islander Studies for the year ended 30 June 2007, which comprise: a statement by the Councillors; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedules of Commitments and Contingencies; a summary of significant accounting policies; and other explanatory notes.

The Responsibility of the Councillors for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Institute of Aboriginal and Torres Strait Islander Studies' preparation and fair presentation of the financial statements 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 Australian Institute of Aboriginal and Torres Strait Islander Studies' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Institute of Aboriginal and Torres Strait Islander Studies:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Institute of Aboriginal and Torres Strait Islander Studies' financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



Jocelyn Ashford

Executive Director

Delegate of the Auditor-General

Canberra

20 September 2007

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Financial Statements for the Year Ended 30 June 2007

Australian Institute of Aboriginal and Torres Strait Islander Studies

Statement by Councillors

In our opinion, the attached financial statements for the year ended 30 June 2007 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of Councillors.

			
Prof. M Dodson Chairperson	M Williams Councillor	S Larkin Principal	J Hobson Chief Financial Officer

19th September 2007

19th September 2007

19th September 2007

19th September 2007

Australian Institute of Aboriginal and Torres Strait Islander Studies

INCOME STATEMENT

for the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
INCOME			
Revenue			
Revenue from Government	3A	11,566	10,699
Sale of goods and rendering of services	3B	1,065	1,121
Interest	3C	370	317
Grants	3D	506	558
Other revenue	3E	539	675
Total revenue		<u>14,046</u>	<u>13,370</u>
Gains			
Sale of assets	3F	2	(49)
Total gains		<u>2</u>	<u>(49)</u>
Total Income		14,048	13,321
EXPENSES			
Employee benefits	4A	7,797	8,064
Suppliers	4B	3,614	3,604
Grants	4C	852	566
Depreciation and amortisation	4D	1,644	1,425
Write-down and impairment of assets	4E	120	-
Total Expenses		<u>14,027</u>	<u>13,659</u>
Surplus (Deficit) attributed to the Australian Government		<u>21</u>	<u>(338)</u>

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

Australian Institute of Aboriginal and Torres Strait Islander Studies

BALANCE SHEET

as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	5A	647	3,046
Trade and other receivables	5B	591	280
Investments (s18 <i>CAC Act</i>)	5C	5,795	2,060
Total financial assets		7,033	5,386
Non-financial assets			
Land and buildings	6A, 6E	12,595	10,858
Infrastructure, plant and equipment	6B, 6E	6,733	7,233
Heritage and cultural assets	6C, 6E	6,569	5,825
Intangibles	6D	281	394
Inventories	6F	76	246
Other non-financial assets	6G	53	56
Total non-financial assets		26,307	24,612
Total Assets		33,340	29,998
LIABILITIES			
Payables			
Suppliers	8A	410	526
Other payables	8B	380	153
Total payables		790	679
Provisions			
Employees provisions	7A	1,708	1,720
Total Provisions		1,708	1,720
Total Liabilities		2,498	2,399
Net Assets		30,842	27,599
EQUITY			
Contributed equity		3,179	3,179
Reserves		9,966	6,743
Retained surpluses or (accumulated deficits)		17,697	17,677
Total Equity		30,842	27,599
Current Assets		7,162	5,688
Non-Current Assets		26,178	24,310
Current Liabilities		2,214	2,114
Non-Current Liabilities		284	285

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2007

Item	Retained Earnings		Asset Revaluation Reserve		Contributed Equity / Capital		Total Equity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Opening balance	17,677	18,015	6,743	6,743	3,179	3	27,599	24,761
Adjustment for changes in accounting policies								
Adjusted opening balance	17,677	18,015	6,743	6,743	3,179	3	27,599	24,761
Income and expense								
Revaluation adjustment	-	-	3,223	-	-	-	3,223	-
Sub-total income and expenses recognised Directly in Equity	-	-	3,223	-	-	-	3,223	-
Surplus (Deficit) for the period	21	(338)	-	-	-	-	21	(338)
Total income and expenses	21	(338)	3,223	-	-	-	3,244	(338)
Transactions with owner:								
Contributions by owner								
Appropriation (equity injection)	-	-	-	-	-	3,176	-	3,176
Sub-total transactions with owner:	-	-	-	-	-	3,176	-	3,176
Closing balance at 30 June 2007	17,697	17,677	9,966	6,743	3,179	3,179	30,842	27,599

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

Australian Institute of Aboriginal and Torres Strait Islander Studies

CASH FLOW STATEMENT

for the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	17	11,566	10,699
Goods and services		1,799	2,425
Interest		348	310
Net GST received from the ATO			
Total cash received		<u>13,713</u>	<u>13,434</u>
Cash used			
Employees		(7,808)	(7,753)
Suppliers		(3,429)	(3,980)
Grants		(852)	(566)
Total cash used		<u>(12,089)</u>	<u>(12,299)</u>
Net cash from or (used by) operating activities	10	<u>1,624</u>	<u>1,135</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		106	130
Total cash received		<u>106</u>	<u>130</u>
Cash used			
Purchase of property, plant and equipment		(393)	(3,711)
Purchase of investments (s18)		(3,735)	(2,060)
Total cash used		<u>(4,128)</u>	<u>(5,771)</u>
Net cash from or (used by) investing activities		<u>(4,022)</u>	<u>(5,641)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity	17	-	3,176
Total cash received		<u>-</u>	<u>3,176</u>
Net cash from or (used by) financing activities		<u>-</u>	<u>3,176</u>
Net increase or (decrease) in cash held		(2,399)	(1,330)
Cash at the beginning of the reporting period		3,046	4,376
Cash at the end of the reporting period	10	<u>647</u>	<u>3,046</u>

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
SCHEDULE OF COMMITMENTS
as at 30 June 2007

	Note	2007 \$'000	2006 \$'000
By Type			
Capital commitments			
Infrastructure, plant and equipment ¹		-	4
Total capital commitments		<u>-</u>	<u>4</u>
Other commitments			
Research grants ²		99	316
Other commitments ³		94	59
Total other commitments		<u>193</u>	<u>375</u>
Commitments receivable ⁴		18	112
Net commitments by type		<u><u>175</u></u>	<u><u>267</u></u>
By Maturity			
Commitments payable			
Capital commitments			
One year or less		-	4
Total capital commitments		<u>-</u>	<u>4</u>
Operational lease commitments			
One year or less		-	263
Total operational commitments		<u>-</u>	<u>263</u>
Other commitments			
One year or less		175	263
Total other commitments		<u>175</u>	<u>263</u>
Net commitments by maturity		<u><u>175</u></u>	<u><u>267</u></u>

NB: Commitments are GST-inclusive where relevant.

¹ Plant and equipment commitments are mainly for technical equipment to support the expanded digitisation program.

² Research grant commitments are amounts payable under grant agreements in respect of which the recipient is yet to perform the services required.

³ Other commitments are mainly maintenance agreements, minor building works and book printing contracts where the services have not yet been provided.

⁴ Commitments receivable relate to amounts contracted but not received under consultancy contracts

The above schedule should be read in conjunction with the accompanying notes.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

Note:1	Summary of Significant Accounting Policies
Note:2	Events After the Balance Sheet Date
Note:3	Income
Note:4	Expenses
Note:5	Financial Assets
Note:6	Non-Financial Assets
Note:7	Provisions
Note:8	Payables
Note:9	Financial Instruments
Note:10	Cash Flow Reconciliation
Note:11	Contingent Liabilities and Assets
Note:12	Remuneration of Councillors
Note:13	Related Party Disclosures
Note:14	Executive Remuneration
Note:15	Remuneration of Auditors
Note:16	Average Staffing Levels
Note:17	Appropriations
Note:18	Reporting of Outcomes

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The continued existence of the Institute in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Institute's administration and programs.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs), for reporting periods ending on or after 1 July 2006;
- Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and interpretations.

The Financial Report has been prepared on an accrual basis and is in accordance with the historical cost convention, except for certain assets which, as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars otherwise specified.

Unless alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to AIATSIS and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments (other than unquantifiable or remote contingencies, which are reported at Note 11).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefit has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, AIATSIS has made the following judgments that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of buildings has been taken to be the market value of similar properties as determined by an independent valuer. The AIATSIS building was purpose built and may in fact realise more or less in the market.
- Property plant and equipment is recognised at fair value, and depreciated over the estimated economic life for each item. The estimated life may be longer or shorter than estimated.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

- Long-term employee liabilities are recognised at their estimated present value. The actual cost may vary depending on when entitlements are claimed and on changes in monetary values.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the financial report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. AIATSIS is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period.

AIATSIS is required to disclose Australian Accounting Standards and Interpretations which have been issued but are not yet effective that have not been early adopted by the Agency. The following adopted requirements have resulted in a change to AIATSIS accounting policies or have affected the amounts reported in the current or prior periods or are estimated to have a financial affect in future reporting periods.

Restriction of the fair value option under AASB 139

The AASB through 2005-4 Amendments to Australian Accounting Standards [AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038] restricted the option to designate a financial asset or liability at fair value through profit and loss.

Reimbursement rights

The AASB through 2005-5 Amendments to Australian Accounting Standards [AASB 1 & AASB 139] excluded from the scope of AASB 139 Financial Instruments: Recognition and Measurement rights for reimbursement for expenditure required to settle a present or former provision recognised under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The right to reimbursement is now required to be accounted for under AASB 137.

The application of this amendment is applied from the beginning of the comparative period (1 July 2005). AIATSIS had previously accounted for a reimbursement as an available for sale financial asset under AASB 139 being a contractual right to receive cash. This financial instrument has been derecognised through retained earnings as of 1 July 2005 and a provision recognised.

Financial guarantee contracts

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

The AASB through 2005-9 Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132] now require financial guarantee contracts to be recognised and measured at inception under AASB 139 Financial Instruments: Recognition and Measurement. Initially these items are measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the initial amount recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 118 Revenue.

AIATSIS has no contingent liability for an indemnity in which the Agency's business operation guarantee a bank loan of a service provider.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of AIATSIS.

Amendments:

- 2004-3 Amendments to Australian Accounting Standards [AASB 119]
- 2005-1 Amendments to Australian Accounting Standards [AASBs 139]
- 2005-3 Amendments to Australian Accounting Standards [AASB 119]
- 2005-4 Amendments to Australian Accounting Standards [AASBs 139, 132, 1, 1023 and 1038]
- 2005-5 Amendments to Australian Accounting Standards [AASB 1 and 139]
- 2005-6 Amendments to Australian Accounting Standards [AASB 3]
- 2005-9 Amendments to Australian Accounting Standards [AASBs 4, 1023, 139 and 132]
- 2006-1 Amendments to Australian Accounting Standards [AASB 121]
- 2006-3 Amendments to Australian Accounting Standards [AASB 1045]
- 2006-4 Amendments to Australian Accounting Standards [AASBs 134 and 1049]
- 2007-2 Amendments to Australian Accounting Standards [AASBs 1, 117, 118, 120, 121, 127, 131 and 139]

New standard:

- AASB 1048 *Interpretation and Application of Standards*

Interpretations:

- UIG 4 Determining whether an Arrangement contains a Lease
- UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- UIG 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- UIG 7 Applying the Restatement Approach under AASB 129 *Financial Reporting in Hyperinflationary Economies*
- UIG 8 Scope of AASB 2
- UIG 9 Reassessment of Embedded Derivatives

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Financial instrument disclosure

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

AASB 7 Financial Instruments: Disclosure is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that presently. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will effect the disclosure presented in future financial reports.

Other

The following standards and interpretations have been issued but are not applicable to the operations of AIATSIS.

- 2007-1 Amendments to Australian Accounting Standards [AASB 2]
- 2007-3 Amendments to Australian Accounting Standards [AASBs 5, 6, 102, 107, 119, 127, 134, 136, 1023, 1038]
- 2007-4 Amendments to Australian Accounting Standards [AASBs 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]
- 2007-6 Amendments to Australian Accounting Standards [AASB 1, 101, 107, 111, 116 and 123]
- AASB 8 *Operating Segments*
- AASB 1049 *Financial Reporting of General Government Sectors by Governments*
- UIG 10 Interim Financial Reporting and Impairment
- UIG 11 AASB 2 – Group and Treasury Share Transactions
- UIG 12 Service Concession arrangements

1.4 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenues from Government

Amounts appropriated for departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relates to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition.

1.5 Transactions by the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including AIATSIS employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination is recommended and measured at the present value of the estimated future cash flows to be made in respect of all employees.

The liability for long service leave as at 30 June 2007 is recognised in accordance with the Australian Government short hand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. AIATSIS recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of AIATSIS are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

AIATSIS makes employer contributions to the Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Agency's employees. AIATSIS accounts for the contributions as if they were contributions to defined contribution plans.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.7 Grants

Most grant agreements require the grantee to perform services, provide facilities, or meet eligibility criteria. In these cases, the Institute recognises grant liabilities only to the extent that the services required have been performed or the eligibility criteria have been satisfied by the grantee.

In cases where grant agreements are made without conditions to be monitored, liabilities are recognised on signing of the agreement.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

1.8 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.9 Investments

Investments are initially measured at their fair value.

After initial recognition, financial assets are to be measured at their fair values except for:

- a) loans and receivables which are measured at amortised cost using the effective interest method,
- b) held-to-maturity investments which are measured at amortised cost using the effective interest method, and
- c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

1.10 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires.

1.11 Financial Risk Management

The Institute's activities expose it to normal commercial financial risk. As a result of the nature of AIATSIS' business and internal and Australian Government policies dealing with the management of financial risk, the Institute's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.12 Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

Financial Assets held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Available for Sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the Income Statement

1.13 Suppliers and other payables

Suppliers and other payables and accruals are recognised at their nominal amounts, being the amounts at which the liabilities are expected to be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

1.16 Property (Land, Buildings and Infrastructure), Plant and Equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The exception to this policy is for desktop and laptop computers, which are recognised as assets regardless of cost.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located where this is expected to be significant.

Revaluations

Land, buildings, infrastructure, plant and equipment (P & E) are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair value for each class of assets is determined as shown below.

Asset Class	Fair Value Measured at:
Land	Market selling price
Building	Market selling price
Leasehold Improvements	Depreciated replacement cost
Plant & Equipment	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Institute using, in all cases, the straight line method of depreciation.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2008	2007
Building	40 to 70 years	40 to 70 years
Major plant and equipment items	5 to 20 years	5 to 20 years
Minor plant and equipment items, mainly office equipment.	2 to 5 years	2 to 5 years
Library collection	50 years	50 years

Art and artefacts are assessed as having an indefinite useful life and are not depreciated.

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 6C.

Impairment

All assets were assessed for impairment at 30 June 2007. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if AIATSIS were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

1.17 Intangibles

The Institute's intangibles comprise software licences and associated implementation costs, and internally-developed software for internal use. The assets are carried at cost.

All intangible assets were assessed for indications of impairment as at 30 June 2007.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives, being 3 to 7 years (2006: 3 to 7 years).

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

1.18 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories held for distribution are measured at the lower of cost and current replacement cost.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as cost of direct labour and materials plus attributable costs that are capable of being allocated on a reasonable basis.

1.19 Taxation

The Institute is exempt from all forms of taxation except fringe benefits tax, and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Note 2: Events After the Balance Sheet Date

On 24th July 2007 the Institute signed a four (4) year Union Collective Agreement that delivers staff pay rises of 5%, 4.5%, 4.5% and 4% respectively. In exchange staff have provided an additional 18 minutes increase in time taking their working day from 7.03 minutes to 7.21 minutes. The pay increase has been reflected in balance sheet items for long service leave and annual leave.

The Institute is not aware of any events occurring after the reporting date which materially affects its future viability.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
Note 3: Income		
Revenues		
<u>Note 3A: Revenue from Government</u>		
Departmental outputs	11,566	10,699
Total revenues from government	11,566	10,699
<u>Note 3B: Sales of goods and rendering of services</u>		
Provision of goods to - related entities	-	4
Provision of goods to - external entities	277	259
Total sales of goods	277	263
Rendering of services to related entities	266	169
Rendering of services to external entities	522	689
Total rendering of services	788	858
Total sales of goods and rendering of services	1,065	1,121
<u>Note 3C: Interest</u>		
Deposits	370	317
Total interest revenue	370	317
<u>Note 3D: Grants</u>		
From related entities	425	541
From external entities	81	17
	506	558
<u>Note 3E: Other revenue</u>		
Conference fees	385	374
Contract administration	116	98
Other revenue	38	203
Total other revenue	539	675

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007 \$'000	2006 \$'000
Gains		
<u>Note 3F: Sale of Assets</u>		
Infrastructure, plant and equipment:		
Proceeds from sale	106	130
Carrying value of assets sold	104	179
Net gain from sale of assets	2	(49)
Note 4: Expenses		
<u>Note 4A: Employee benefits</u>		
Wages and salaries	5,948	6,016
Superannuation	1,061	917
Leave and other entitlements	578	785
Separation and redundancy	(12)	178
Other employee benefits	222	168
Total employee benefits expenses	7,797	8,064
<u>Note 4B: Suppliers</u>		
Provision of goods - external entities	2,131	2,556
Rendering of services - related entities	-	908
Rendering of services - external entities	1,347	-
Workers compensation premiums	136	140
Total supplier expenses	3,614	3,604
<u>Note 4C: Grants</u>		
Private sector:		
Other	532	535
Manuscript development grants	320	31
Total grants expenses	852	566
<u>Note 4D: Depreciation and amortisation</u>		
<u>Depreciation</u>		
Infrastructure, plant and equipment	1,291	1,075
Buildings	170	171
Heritage and cultural assets	70	69
Total depreciation	1,531	1,315
<u>Amortisation</u>		
Intangible:		
Computer Software	113	110
Total amortisation	113	110
Total depreciaton and amortisation	1,644	1,425
<u>Note 4E: Write-Down and Impairment of Assets</u>		
Write down of Inventory, Infrastructure, Plant & Equipment*	120	-
Total Write-Down and Impairment of Assets	120	-

* Inventory of \$119,520 was deemed to be obsolete during 2006/2007.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
Note 5: Financial Assets		
<u>Note 5A: Cash and cash equivalents</u>		
Cash at bank	646	3,045
Cash on hand	1	1
Total Cash and Cash Equivalents	647	3,046
<u>Note 5B: Trade and other receivables</u>		
Goods and services	459	275
Less: Provision for doubtful debts	(1)	(28)
	458	247
GST receivable from Australian Taxation Office	133	33
Total trade and other receivables (net)	591	280
Receivables are aged by:		
Current	591	203
Non-Current	-	77
Total trade and other receivables (net)	591	280
Receivables are aged as follows:		
Not overdue	583	203
Overdue by:		
Less than 30 days	-	-
30 to 60 days	6	42
61 to 90 days	1	-
More than 90 days	1	63
Total receivables (gross)	591	308
The allowance for doubtful debts is aged as follows:		
Not overdue		
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	1	28
Total provision for doubtful debts	1	28
<u>Note 5C: Investments</u>		
Term deposits	5,795	2,060
Total investments	5,795	2,060
Investments are represented by:		
Current	5,795	2,060
Non-Current	-	-
Total investments	5,795	2,060

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

2007	2006
\$'000	\$'000

Note 6: Non-Financial Assets

Note 6A: Land and buildings

Leasehold improvements

Building on leasehold land - fair value	12,595	11,200
Accumulated depreciation	-	(342)
Total land and buildings (non-current)	12,595	10,858

Leasehold improvements are the AIATSIS building at Acton, ACT.

Note 6B: Infrastructure, plant and equipment

Infrastructure, plant and equipment:

Plant and equipment - fair value	6,733	9,480
- Accumulated depreciation	-	(2,261)
	6,733	7,219
Work in progress	-	14
Total infrastructure, plant and equipment (non-current)	6,733	7,233

Note 6C: Heritage and cultural assets

Heritage and cultural:

Artworks and artefacts - fair value	3,462	2,465
Library collection - fair value	3,107	3,498
- Accumulated depreciation	-	(138)
	3,107	3,360
Total Heritage and Cultural Assets	6,569	5,825

All revaluations are conducted in accordance with the revaluation policy at Note 1.16. The building, infrastructure plant and equipment, art works and artefacts and library valuations were in 2006-07 by the Australian Valuation Office.

Revaluation increments of \$1,907k for buildings on crown land, \$502k for plant and equipment and \$814k for heritage and cultural assets were credited to the asset revaluation reserve by asset class and included the equity section of the balance sheet.

No indication of impairment were found for infrastructure, plant and equipment.

Note 6D: Intangibles

Computer software at cost:

Software licences - purchased	689	689
Internally developed software	58	58
	747	747
Accumulated amortisation	(466)	(353)
Total intangibles	281	394

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
<u>Note 6F: Inventories</u>		
Inventories held for sale		
Work in progress	7	45
Finished Goods	422	479
Provisions for obsolete stock	<u>(353)</u>	<u>(278)</u>
Total inventories (current)	<u>76</u>	<u>246</u>

Note 6G: Other non-financial assets

Prepayments	<u>53</u>	<u>56</u>
Total other non-financial assets	<u>53</u>	<u>56</u>

Note 7: Provisions

Note 7A: Employee provisions

Salaries and wages	104	84
Leave	1,402	1,403
Superannuation	202	92
Separation and Redundancy	-	141
Total employee provisions	<u>1,708</u>	<u>1,720</u>

Employee provisions are represented by:

Current	1,424	1,435
Non-current	<u>284</u>	<u>285</u>
Total employee provisions	<u>1,708</u>	<u>1,720</u>

The classification of current includes amounts for which there is not an unconditional right of deferral of one year, hence in the case of employee provisions the above classification does not equal the amount expected to be settled within one year of reporting date.

Note 8: Payables

Note 8A: Suppliers

Trade creditors	6	10
Other	<u>404</u>	<u>516</u>
Total supplier payables	<u>410</u>	<u>526</u>

Supplier payables are represented by:

Current	<u>410</u>	<u>526</u>
Total supplier payables	<u>410</u>	<u>526</u>

Settlement is usually made net 30 days.

Note 8B: Other payables

Unearned revenue	<u>380</u>	<u>153</u>
Total other payables	<u>380</u>	<u>153</u>

All other payables are current liabilities

Note 6E: Analysis of property, plant and equipment**TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2006-07)**

	Buildings \$'000	Other IP & E \$'000	Heritage and Cultural \$'000	Total \$'000
As at 1 July 2006				
Gross book value	11,200	9,494	5,963	26,657
Accumulated depreciation/amortisation and impairment	342	2,261	138	2,741
Net book value 1 July 2006	10,858	7,233	5,825	23,916
Additions:				
by purchase	-	393	-	393
from acquisition of entities or operations (including restructuring)	-	-	-	-
Revaluations and impairments through equity	1,907	502	814	3,223
Reclassification	-	-	-	-
Depreciation/amortisation expense	(170)	(1,291)	(70)	(1,531)
Impairments recognised in the operating result	-	-	-	-
Other movements (give details below)	-	-	-	-
Disposals:				
From disposal of entities or operations (including restructuring)	-	-	-	-
Other disposals	-	(104)	-	(104)
Net book value 30 June 2007	12,595	6,733	6,569	25,897
Net book value as of 30 June 2007 represented by:				
Gross book value	12,595	6,733	6,569	25,897
Accumulated depreciation/amortisation and impairment	-	-	-	-
	12,595	6,733	6,569	25,897

TABLE B – Reconciliation of the opening and closing balances of infrastructure, plant and equipment (2005-06)

Item	Buildings \$'000	Other IP & E \$'000	Heritage and Cultural \$'000	Total \$'000
As at 1 July 2005				
Gross book value	11,200	6,481	5,921	23,602
Accumulated depreciation/amortisation and impairment	171	1,402	69	1,642
Net book value 1 July 2005	11,029	5,079	5,852	21,960
Additions:				
by purchase	-	3,408	42	3,450
from acquisition of entities or operations (including restructuring)	-	-	-	-
Revaluations and impairments through equity	-	-	-	-
Reclassification	-	-	-	-
Depreciation/amortisation expense	(171)	(859)	(69)	(1,099)
Impairments recognised in the operating result	-	-	-	-
Other movements (give details below)	-	-	-	-
Disposals:				
From disposal of entities or operations (including restructuring)	-	(395)	-	(395)
Other disposals	-	-	-	-
Net book value 30 June 2006	10,858	7,233	5,825	23,916
Net book value as of 30 June 2006 represented by:				
Gross book value	11,200	9,494	5,963	26,657
Accumulated depreciation/amortisation and impairment	342	2,261	138	2,741
	10,858	7,233	5,825	23,916

Note 6D: Intangibles (cont.)**Table A: Reconciliation of the opening and closing balances of intangibles (2006-07).**

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Other intangibles internally developed \$'000	Other intangibles purchased \$'000	Total \$'000
As at 1 July 2006					
Gross book value	693	-	54	-	747
Accumulated depreciation/amortisation and impairment	322	-	31	-	353
Net book value 1 July 2006	371	-	23	-	394
Additions:					
by purchase or internally developed	-	-	-	-	-
from acquisition of entities or operations (including restructuring)	-	-	-	-	-
Reclassifications	-	-	-	-	-
Amortisation	(103)	-	(10)	-	(113)
Impairments recognised in the operating result	-	-	-	-	-
Other movements (give details below)	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	-	-	-
Net book value 30 June 2007	268	-	13	-	281
Net book value as of 30 June 2007 represented by:					
Gross book value	693	-	54	-	747
Accumulated depreciation/amortisation and impairment	425	-	41	-	466
	268	-	13	-	281

Table B: Reconciliation of the opening and closing balances of intangibles (2005-06).

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Other intangibles internally developed \$'000	Other intangibles purchased \$'000	Total \$'000
As at 1 July 2005					
Gross book value	508	-	52	-	560
Accumulated amortisation and impairment	296	-	21	-	317
Net book value 1 July 2005	212	-	31	-	243
Additions:					
by purchase or internally developed	261	-	-	-	261
by finance lease	-	-	-	-	-
from acquisition of entities or operations (including restructuring)	-	-	-	-	-
Reclassifications	-	-	-	-	-
Amortisation	(100)	-	(10)	-	(110)
Impairments recognised in the operating result	-	-	-	-	-
Other movements (give details below)	-	-	-	-	-
Disposals:					
from disposal of entities or operations (including restructuring)	-	-	-	-	-
other disposals	-	-	-	-	-
Net book value 30 June 2006	373	-	21	-	394
Net book value as of 30 June 2006 represented by:					
Gross book value	769	-	52	-	821
Accumulated depreciation/amortisation and impairment	396	-	31	-	427
	373	-	21	-	394

**Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 9: Financial Instruments

Note 9A: Interest rate risk

	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In 1 year or less		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 %	2006 %
Financial Assets											
Cash on hand	5A	646	-	-	-	1	1	647	1	0.00	0.00
Deposits at call	5C	-	1,945	1,729	1,100	-	-	1,729	3,045	6.04	5.72
Investments - Term deposits	5C	-	-	4,066	2,060	-	-	4,066	2,060	6.36	6.10
Receivables for goods and services (gross)	5B	-	-	-	-	458	247	458	247	NA	NA
Accrued interest		-	-	-	-	-	-	-	-	NA	NA
Total		646	1,945	5,795	3,160	459	248	6,900	5,353		
Total Assets								33,340	29,998		
Financial Liabilities											
Trade Creditors	8A/B	-	-	-	-	790	679	790	679	NA	NA
Total		-	-	-	-	790	679	790	679		
Total Liabilities								2,498	2,399		

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 9: Financial Instruments (continued)

Note 9B: Net Fair Values of Financial Assets and Liabilities

	Notes	2007		2006	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Financial Assets					
Cash on hand		647	647	1	1
Deposits at call		1,729	1,729	3,045	3,045
Investments -term deposits		4,066	4,066	2,060	2,060
Receivables for goods and services (gross)	5B	458	458	247	247
Accrued interest		-	-	-	-
Total Financial Assets		6,900	6,900	5,353	5,353
Financial Liabilities (Recognised)					
Trade Creditors	8A/B	790	790	679	679
Total Financial Liabilities		790	790	679	679

Note 9C: Credit Risk Exposures

The Institute's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. The Institute has no significant exposures to any concentrations of credit risks. AIATSIS does not hold any collateral or other security in relation to credit risks.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

Note 10: Cash flow reconciliation	2007	2006
	\$'000	\$'000

Reconciliation of cash and cash equivalent as per Balance Sheet to Cash Flow Statement

Balance of cash as at 30 June shown in the Statement of Cash Flows	647	3,046
--	------------	-------

Balance Sheet items comprising above cash:

Cash on hand	1	1
Deposits at call	646	3,045
	647	3,046

Reconciliation of operating result to net cash from operating activities

Operating result	21	(338)
------------------	-----------	-------

Non-cash items

Depreciation and amortisation	1,644	1,425
Gain on disposal of assets	(2)	49

Change in assets and liabilities

(Increase)/decrease in net receivables	(311)	63
(Increase)/decrease in inventories	170	(166)
(Increase)/decrease in other non-financial Assets	3	69
Increase/(decrease) in supplier payables	(116)	(264)
Increase/(decrease) in employee provisions	(12)	451
Increase/(decrease) in other payables	227	(154)

Net cash from/(used by) operating activities	1,624	1,135
---	--------------	--------------

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 11:- Contingent Liabilities and Assets

The Institute has no knowledge of any material contingencies, whether remote or otherwise.

Note 12: Remuneration of Councillors

	2007	2006
The number of Councillors of the Institute included in these figures are shown below in the relevant remuneration bands		
\$Nil - \$14,999	9	10
	\$	\$
Total remuneration received or due and receivable by members of the Council of the Institute	53,222	33,318

A description of the methods by which Councillors are appointed is included in the "Corporate Governance" section of the Annual Report.

Remuneration includes payments to Councillors for all activities including Council, Research Advisory Committee and other representative business.

Note 13: Related Party Disclosures

Members of Council

The members of the Council of the Institute during the year were:

M. Dodson AM, Chair
R. Tonkinson, Deputy Chair
M Williams
J Huggins AM
E Bedford
R Marika
N McNamara AM, MBE
J Maynard
D Ober

The Institute paid a Directors and Officers indemnity premium of \$5,093 on behalf of Councillors during the year. Royalty payments totalling \$319 were made to Ms Huggins and \$37 to Mr J Maynard, Council members during the year, in relation to their books published through Aboriginal Studies Press. Other than these payments and remuneration as Councillors, no benefits were provided to Council members.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 14: Executive Remuneration

	2007	2006
The number of senior executives who received, or were due to receive, total remuneration of \$130,000 or more:		
\$130,000 - \$144,999	1	-
\$145,000 - \$159,999	-	-
\$160,000 - \$174,999	1	1
\$175,000 - \$189,999	1	1
\$190,000 - \$204,999	-	-
\$205,000 - \$219,999	1	1
Total	<u>4</u>	<u>3</u>
	\$	\$
The aggregate amount of total remuneration of officers shown above.	<u>694,736</u>	<u>558,846</u>

Note 15: Remuneration of Auditors

	2007	2006
	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	34,900	34,000
	<u>34,900</u>	<u>34,000</u>

These amounts represent the fair value of services provided.

RSM Bird Cameron has been contracted by the Australian National Audit Office (ANAO) to provide audit services on the ANAO's behalf. Fees for these services are included above. No other services were provided by the Auditor-General or RSM Bird Cameron during the reporting period.

Note 16: Average Staffing Levels

	2007	2006
The average staffing levels for the Institute during the year were:	<u>104</u>	<u>104</u>

Note 17: Appropriations

Table A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and borrowings

Particulars	Departmental Outputs		Total	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	-	-	-	-
Appropriation Act:				
Appropriation Act (No.1)	11,393	10,699	11,393	10,699
Appropriation Act (No.3)	173	-	173	-
Total appropriation available for payments	11,566	10,699	11,566	10,699
Cash payments made during the year (GST)	11,566	10,699	11,566	10,699
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations	-	-	-	-
Represented by				
Cash at bank and on hand	-	-	-	-
Departmental appropriations receivable	-	-	-	-
Undrawn, unexpired administered appropriations	-	-	-	-
Total	-	-	-	-

Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction

Table B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

Particulars	Non – operating		Total	
	Equity			
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	-	-	-	-
Appropriation Act:				
Appropriation Act (No.2)	-	3,176	-	3,176
Total appropriations available for payments	-	3,176	-	3,176
Cash payments made during the year (GST)	-	3,176	-	3,176
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations	-	-	-	-
Represented by:				
Cash	-	-	-	-
Appropriation receivable	-	-	-	-
Undrawn, unexpired administered appropriations	-	-	-	-
Total	-	-	-	-

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 18: Reporting of Outcomes

Note 18A: Outcomes of the Institute

AIATSIS is structured to meet one outcome:

"Promotion of knowledge and understanding of Australian Indigenous cultures, past and present".

Three outputs have been identified for this outcome:

Output 1. Research

Output 2. Dissemination of information

Output 3. Collection development and management

Note 18B: Net Cost of Outcomes Delivery

	Outcome 1	
	2007	2006
	\$'000	\$'000
Departmental expenses	14,027	13,659
Total expenses	14,027	13,659
Departmental costs recovered from provision of goods and services to the non-government sector	880	965
Total costs recovered	880	965
Other Departmental external revenues		
Interest	370	317
Net Gains from sale of assets	2	(49)
Other	539	674
Total other external revenues	911	942
Net cost/(contribution) of outcome	12,237	11,752

The Institute only has one outcome and therefore fully attributes shared revenue and expenditure items to that outcome. Attribution of shared costs to outputs is based on staff numbers, adjusted where relevant for significant one-off costs.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 18: Reporting of Outcomes (continued)

Note 18C: Major Classes of Departmental Revenues and Expenses by Outputs

	Output 1		Output 2		Output 3		Total	
	2007 \$'000	2006 \$'000	2,007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Departmental expenses								
Employees	2,261	2,550	489	609	5,047	5,045	7,797	8,204
Suppliers	1,357	1,434	417	379	1,840	1,651	3,614	3,464
Grants	852	566	-	-	-	-	852	566
Depreciation and amortisation	517	437	92	94	1,035	894	1,644	1,425
Write-down of assets	-	-	120	-	-	-	120	-
Total Departmental expenses	4,987	4,987	1,118	1,082	7,922	7,590	14,027	13,659
Funded by:								
Revenues from Government	3,639	3,283	650	707	7,277	6,709	11,566	10,699
Sale of goods and services	855	971	266	262	449	446	1,570	1,679
Interest	116	97	21	21	233	199	370	317
Net Gains from disposal of assets	2	(15)	-	(3)	-	(31)	2	(49)
Other	385	531	14	13	142	131	540	675
Total Departmental revenues	4,997	4,867	950	1,000	8,101	7,454	14,048	13,321