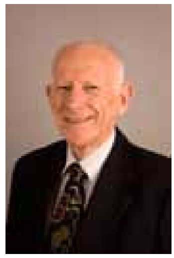
FINANCIAL STATEMENTS

F

AIATSIS
AUSTRALIAN INSTITUTE OF
ABORIGINAL AND TORRES STRAIT
ISLANDER STUDIES



AIATSIS
Chief Finance Officer's Report
Financial Year 2011-12

The 2011-2012 financial year provided the Institute with a better result than forecast. Against an approved $3,200,000 budgeted loss, a loss of $2,291,000 was recorded.

The loss was predicated on AIATSIS' need to continue to meet statutory obligations in preservation of its collection. Having been unsuccessful in its bid to gain continued funding for the Digitisation Program in the 2011-12 budget, the Institute sought and obtained approval from the Minister of Finance and Deregulation to carry a $3,200,000 loss year in order to maintain the program.

In the 2012-13 Federal Budget, the Institute was successful with its New Policy Proposal and secured $6,400,000 to continue digitisation through to 30 June 2014. In addition we received a small amount of supplementary funding beginning in 2012-13 and the out years.

During 2011-12 the doubt surrounding funding of the Digitisation Program continued to impact upon expenditure. In particular the uncertainty around tenure had a detrimental effect on staff resources. Staff whose contracts were ending sought employment outside AIATSIS. The situation was further exacerbated by not being able to attract applicants to the vacant positions which offered only short-term tenure of a few months. The results of which was a significant underspend in salary and to a lesser extent utilities and supplies. Further underexpenditure resulted from the continued postponement of some of the minor works program, for example, refurbishment in the Research area. There were a number of marginal increases in the cost of supplies following the general shift in the economy that forced prices up. The implementation of the One AIATSIS program, a program based in service delivery efficiency, will provide the Institute with increased productivity.

A new Enterprise Agreement came into effect on 16 May 2012. The Agreement delivers to staff, a three-tier classification structure, broad banding and an immediate increase in salary of 4.62 per cent. In the out years, the Agreement will deliver future staff, on average, salary increases of 2.33 per cent on 1 July 2012 and 2 per cent on 1 July 2013.

While the Institute's financial situation is currently liquid and solvent and able to meet its debts, its future is very much dependent upon the success of funding applications. The continued funding of the Digitisation Program and the Enterprise Agreement are the two major risk areas. Operational expenditure may not be sustainable should these two issues not be favourably resolved.

The major financial challenges ahead are: the digital preservation of our collection; an Indigenous researchers program; refurbishment of the existing building; and an extension to allow the delivery of public programs.

Jeffrey Hobson, JP FCPA,
Chief Finance Officer.
16 September 2012

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Tertiary Education, Skills, Science and Research

I have audited the accompanying financial statements of the Australian Institute of Aboriginal and Torres Strait Islander Studies for the year ended 30 June 2012, which comprise: a Statement by the Directors, Chief Executive Officer and Chief Financial Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

The Responsibility of the Members of Council for the Financial Statements

The members of Council of the Australian Institute of Aboriginal and Torres Strait Islander Studies are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit 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 about 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Institute of Aboriginal and Torres Strait Islander Studies' internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of Council, as well as evaluating the overall presentation of the financial statements.

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

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT 2600
Phone (02) 6203 7300 Fax (02) 6203 7777

Independence

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

Opinion

In my opinion, the financial statements of 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*, including the Australian Accounting Standards; 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 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
11 September 2012

Financial Statements for the Year Ended 30 June 2012

Australian Institute of Aboriginal and Torres Strait Islander Studies

Statement by Councillors, Principal and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2012 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, as amended.

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 the Councillors.

Prof. M Dodson	M Wenitong	R Taylor	J Hobson
Chairperson	Councillor	Principal	Chief Financial Officer
11 September 2012	11 September 2012	11 September 2012	11 September 2012

Australian Institute of Aboriginal and Torres Strait Islander Studies

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2012

	Notes	2012 $'000	2011 $'000
EXPENSES			
Employee benefits	**3A**	**10,468**	9,789
Suppliers	**3B**	**4,717**	4,394
Grants	**3C**	**523**	625
Depreciation and amortisation	**3D**	**1,103**	1,534
Write-down and impairment of assets	**3E**	**4**	4
Losses from asset sales	**3F**	**112**	36
Total expenses		**16,927**	16,382
LESS:			
OWN-SOURCE REVENUE			
Own-source revenue			
Sale of goods and rendering of services	**4A**	**1,078**	1,094
Interest	**4B**	**979**	922
Grants	**4C**	**22**	119
Other	**4D**	**961**	745
Total own-source revenue		**3,040**	2,880
Net cost of services		**13,887**	13,502
Revenue from Government	**4E**	**11,595**	15,679
Surplus (Deficit) attributable to the Australian Government		**(2,292)**	2,177
Total comprehensive income attributable to the Australian Government		**(2,292)**	2,177

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 2012

	Notes	2012 $'000	2011 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	180	234
Trade and other receivables	5B	1,253	838
Other investments	5C	15,804	17,228
Total financial assets		17,237	18,300
Non-Financial Assets			
Land and buildings	6A	11,172	11,364
Property, plant and equipment	6B	13,175	13,919
Intangibles	6C	-	110
Inventories	6D	58	96
Other non-financial assets	6E	25	79
Total non-financial assets		24,430	25,568
Total assets		41,667	43,868
LIABILITIES			
Payables			
Suppliers	7A	408	797
Grants, subsidies and personal benefits	7B	18	46
Other	7C	950	952
Total payables		1,376	1,795
Provisions			
Employees provisions	8A	2,064	1,625
Total provisions		2,064	1,625
Total liabilities		3,440	3,420
Net assets		38,227	40,448
EQUITY			
Contributed equity		3,390	3,319
Reserves		12,714	12,714
Retained surplus		22,123	24,415
Total equity		38,227	40,448

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 period ended 30 June 2012

	Retained earnings		Asset revaluation surplus		Contributed equity / capital		Total equity	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Opening balance								
Balance carried forward from previous period	**24,415**	22,238	**12,714**	12,714	**3,319**	3,249	**40,448**	38,201
Adjusted opening balance	**24,415**	22,238	**12,714**	12,714	**3,319**	3,249	**40,448**	38,201
Comprehensive income								
Surplus (Deficit) for the period	**(2,292)**	2,177	**-**		**-**	-	**(2,292)**	2,177
Total comprehensive income	**(2,292)**	2,177	**-**	-	**-**	-	**(2,292)**	2,177
Transactions with owners								
Contributions by owners								
Equity injection	**-**	-	**-**	-	**71**	70	**71**	70
Sub-total transactions with owners	**-**	-	**-**	-	**71**	70	**71**	70
Closing balance as at 30 June	**22,123**	24,415	**12,714**	12,714	**3,390**	3,319	**38,227**	40,448

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 period ended 30 June 2012

	Notes	2012 $'000	2011 $'000
OPERATING ACTIVITIES			
Cash received			
Grants		**2,167**	2,459
Sales of goods and rendering of services		**1,706**	1,659
Receipts from Government		**9,451**	13,172
Interest		**873**	1,023
Net GST Received		**-**	98
Total cash received		**14,197**	18,411
Cash used			
Employees		**(9,958)**	(9,597)
Suppliers		**(4,954)**	(4,673)
Grants		**(523)**	(636)
Net GST paid		**(71)**	-
Total cash used		**(15,506)**	(14,906)
Net cash from (used by) operating activities	**9**	**(1,309)**	3,505
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		**4**	38
Investments		**1,351**	-
Total cash received		**1,355**	38
Cash used			
Purchase of property, plant and equipment		**(171)**	(801)
Investments		**-**	(3,327)
Total cash used		**(171)**	(4,128)
Net cash from (used by) investing activities		**1,184**	(4,090)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**71**	70
Total cash received		**71**	70
Net cash from (used by) financing activities		**71**	70
Net increase (decrease) in cash held		**(54)**	(515)
Cash and cash equivalents at the beginning of the reporting period		**234**	749
Cash and cash equivalents at the end of the reporting period	**9**	**180**	234

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 2012

	2012 $'000	2011 $'000
BY TYPE		
Commitments receivable [3]		
Net GST recoverable on commitments	-	(12)
Total commitments receivable	-	(12)
Commitments payable		
Capital commitments		
Property, plant and equipment [1]	-	133
Total capital commitments	-	133
Other commitments		
Other[2]	38	5
GST payable on commitments	4	-
Total other commitments	42	5
Net commitments by type	42	126
BY MATURITY		
Commitments receivable		
One year or less	-	(12)
Total commitments receivable	-	(12)
Commitments payable		
Capital commitments		
One year or less	-	133
Total capital commitments	-	133
Other commitments		
One year or less	42	5
Total other commitments	42	5
Net commitments by maturity	42	126

NB: Commitments are GST inclusive where relevant.

[1] Plant and equipment commitments were mainly for technical equipment to support the expanded digitisation program in 2011.

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

[3] Commitments receivable relate to amounts contracted but not received under consultancy contracts.

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 1: Summary of Significant Accounting Policies

1.1 Objective of AIATSIS

AIATSIS is an Australian Government controlled entity. The objective of AIATSIS is to promote international understanding of the richness and diversity of Aboriginal and Torres Strait Islander cultures through leadership and excellence in undertaking, facilitating and disseminating ethical research, through increasing access to all our resources, and through best-practice management of cultural heritage collections. AIATSIS is structured to meet one outcome:

Outcome 1: Further understanding of Australian Indigenous cultures, past and present through undertaking and publishing research, and providing access to print and audiovisual collections.

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

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities 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 statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an 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 the Institute or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Institute has made the following

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

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 depreciated replacement cost as determined by an independent valuer. The Institute's 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 actual life may be longer or shorter than estimated.
- 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.
- The fair value of heritage and cultural assets has been taken to be the market value of similar heritage and cultural assets.

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

1.4 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.

Of the new standards, revised or amended standards or interpretations that were issued prior to the signing of the Statement by the Councillors, Principal and Chief Financial Officer, that are applicable to the current reporting period, none had a material financial report impact on the Institute.

Future Australian Accounting Standard Requirements

Of the new standards, revised or amended standards or interpretations that were issued by the Australian Accounting Standards Board prior to the signing of the Statement by the Councillors, Principal and Chief Financial Officer, none are expected to have a material financial impact on future reporting periods of the Institute, when effective.

1.5 Revenue

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer;
b) the Institute retains no managerial involvement or effective control over the goods;
c) the revenue and transaction costs incurred can be reliably measured; and
d) it is probable that the economic benefits associated with the transaction will flow to the Institute.

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:

a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
b) the probable economic benefits associated with the transaction will flow to the Institute.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

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 impairment allowance account. Collectability of debts is reviewed as at end of the reporting period. Allowances 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*.

Resources Received Free of Charge

Resources 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. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Revenue from Government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to the Institute) is recognised as Revenue from Government unless they are in the nature of an equity injection or a loan.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains 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.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

1.7 Transactions with the Government as Owner

Equity Injections

Amounts that are designated as equity injections for a year are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

1.8 Employee Benefits

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period 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.

Other long-term employee benefit liabilities are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting periods of plan assets (if any) out of which obligations are to be settled directly.

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 Institute is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time leave is taken, including the Institute's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the Australian Government shorthand 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. The Institute 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.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Superannuation

Staff of the Institute are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or a superannuation fund of their choice.

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. This liability is reported by the Department of Finance and Deregulation as an administered schedules and notes.

The Institute makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Institute accounts for the contributions as if they were contributions to defined contribution plans.

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

1.9 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand; and
b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.10 Financial Assets

The Institute classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss;
b) held-to-maturity investments;
c) available-for-sale financial assets; and
d) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at end of each reporting periods.

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

1.11 Financial Liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that goods or services have been received (and irrespective of having been invoiced).

1.12 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.13 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

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 income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Authority's accounts immediately prior to the restructuring.

1.14 Property, 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.

Revaluations

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

Asset Class	Fair Value Measured at:
Land	Market selling price
Building	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from 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 in the surplus and deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/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

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

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.

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:

	2012	2011
Building	**70 years**	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
Artwork and artefacts	**100 years**	100 years
Library collection	**50 years**	50 years

Impairment

All assets were assessed for impairment at 30 June 2012. 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 the Institute were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plan and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.15 Intangibles

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives. The useful lives of the Institutes intangible assets are 3 to 7 years (2010-11: 3 to 7 years).

All intangible assets were assessed for indications of impairment as at 30 June 2012.

1.16 Inventories

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

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- finished good and work-in-progress - cost of direct materials and labour plus attributable costs that can be capable of being allocated on a reasonable basis.

1.17 Taxation

The Institute is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, liabilities and assets are recognised net of GST except:

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

Note 2: Events After the Reporting Period

The Institute is not aware of any events occurring after the reporting period which materially affects the financial statements.

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

	2012 $'000	2011 $'000
Note 3: Expenses		
Note 3A: Employee Benefits		
Wages and salaries	**7,851**	7,516
Superannuation		
Defined contribution plans	**622**	606
Defined benefit plans	**622**	575
Leave and other entitlements	**1,157**	841
Other employee benefits	**216**	251
Total employee benefits	**10,468**	9,789
Note 3B: Suppliers		
Goods and services		
Consultants	**181**	196
Contractors	**1,450**	1,653
Travel	**851**	685
Payroll Services	**106**	82
Building Expenses	**841**	530
Insurance	**83**	65
Professional Advice	**641**	659
Printing	**50**	44
Marketing	**48**	55
Office Expenses	**338**	221
Total goods and services	**4,589**	4,190
Goods and services are made up of:		
Provision of goods - external parties	**3,063**	2,350
Rendering of services - external parties	**1,526**	1,840
Total goods and services	**4,589**	4,190
Other supplier		
Workers compensation expenses	**128**	204
Total other supplier	**128**	204
Total supplier	**4,717**	4,394

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

	2012 $'000	2011 $'000
Note 3C: Grants		
Private sector:		
Research grants	523	625
Total grants	**523**	625
Note 3D: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	739	1,178
Buildings	191	191
Heritage and cultural assets	128	128
Total depreciation	**1,058**	1,497
Amortisation:		
Intangibles:		
Computer software	45	37
Total amortisation	**45**	37
Total depreciaton and amortisation	**1,103**	1,534
Note 3E: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Impairment of inventory	4	4
Total write-down and impairment of assets	**4**	4
Note 3F: Losses from Assets Sales		
Property, plant and equipment:		
Carrying value of assets sold	112	36
Total losses from asset sales	**112**	36
Note 3G: Operating Expenditure for Heritage and Cultural Assets		
Operating expenditure	445	509
Total	**445**	509

Operating expenditure is contained in the Statement of Comprehensive Income; however, it is not disclosed as a separate line item. It is merely a different representation of expenditure already reported in Note 3A to 3F relating to heritage and cultural assets.

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

	2012 $'000	2011 $'000
Note 4: Income		
OWN-SOURCE REVENUE		
Note 4A: Sale of Goods and Rendering of Services		
Provision of goods - external parties	**464**	339
Rendering of services - related entities	**457**	586
Rendering of services - external parties	**157**	169
Total sale of goods and rendering of services	**1,078**	1,094
Note 4B: Interest		
Deposits	**979**	922
Total interest	**979**	922
Note 4C: Grants		
From external parties	**22**	119
Total grants	**22**	119
Note 4D: Other Revenue		
Conference fees	**792**	580
Other revenue	**169**	165
Total other revenue	**961**	745
REVENUE FROM GOVERNMENT		
Note 4E: Revenue from Government		
Department of Industry, Innovation, Science, Research and Tertiary Education		
CAC Act body payment item	**9,451**	13,172
Grants:		
Department of Industry, Innovation, Science, Research and Tertiary Education	**350**	500
Department of Health & Ageing	**606**	889
Department of Families, Housing, Community Services & Indigenous Affairs	**758**	1,075
Attorney General's Department	**-**	43
Department of Sustainability, Environment, Water, Population and Communities	**215**	-
Department of Prime Minister & Cabinet	**215**	-
Total revenue from Government	**11,595**	15,679

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

	2012 $'000	2011 $'000
Note 5: Financial Assets		
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	180	234
Total cash and cash equivalents	180	234
Note 5B: Trade and Other Receivables		
Good and Services:		
Goods and services - related entities	1,096	677
Total receivables for goods and services	1,096	677
Other receivables:		
GST receivable from the Australian Taxation Office	166	167
Total other receivables	166	167
Total trade and other receivables (gross)	1,262	844
Less impairment allowance account:		
Other	(9)	(6)
Total impairment allowance account	(9)	(6)
Total trade and other receivables (net)	1,253	838
Receivables are expected to be recovered in:		
No more than 12 months	1,253	838
More than 12 months	-	-
Total trade and other receivables (net)	1,253	838
Receivables are aged as follows:		
Not overdue	796	755
Overdue by:		
0 to 30 days	-	24
31 to 60 days	48	55
61 to 90 days	2	-
More than 90 days	39	10
Total receivables (gross)	885	844
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	9	6
Total impairment allowance account	9	6

Reconciliation of the Impairment Allowance Account:
Movements in relation to 2012

	Goods and services $'000	Total $'000
Opening balance	6	6
Increase/decrease recognised in net surplus	3	3
Closing balance	9	9

Movements in relation to 2011

	Goods and services $'000	Total $'000
Opening balance	1	1
Increase/decrease recognised in net surplus	5	5
Closing balance	6	6

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

	2012 $'000	2011 $'000
Note 5C: Other Investments		
Other investments	**15,804**	17,228
Total other investments	**15,804**	17,228
Total other investments are expected to be recovered in:		
No more than 12 months	**15,804**	17,228
Total other investments	**15,804**	17,228

Note 6: Non-Financial Assets

	2012 $'000	2011 $'000
Note 6A: Land and Buildings		
Building on leasehold land:		
Fair Value	**11,555**	11,555
Accumulated depreciation	**(383)**	(191)
Total land and buildings	**11,172**	11,364

The Institute's land and building may not be disposed of without prior ministerial approval.

No indicators of impairment were found for land and buildings.

No land or buildings are expected to be sold or disposed of within the next 12 months.

	2012 $'000	2011 $'000
Note 6B: Property, Plant and Equipment		
Heritage and cultural:		
Artworks and artefacts - fair value	**7,293**	7,293
Library collection - fair value	**2,729**	2,729
Accumulated depreciation	**(256)**	(128)
Total heritage and cultural	**9,766**	9,894
Other property, plant and equipment:		
Fair Value	**5,165**	5,155
Accumulated depreciation	**(1,755)**	(1,130)
Total other property, plant and equipment	**3,409**	4,025
Total property, plant and equipment	**13,175**	13,919

No indicators of impairment were found for property, plant and equipment.

For further information, please refer note 6F.

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

	2012 $'000	2011 $'000
Note 6C: Intangibles		
Computer software:		
Software licences - purchased	**728**	790
Internally developed - in use	**89**	14
Total computer software (gross)	**817**	805
Accumulated amortisation	**(817)**	(694)
Total computer software	**-**	110
Total intangibles	**-**	110

For further information, please refer note 6G

	2012 $'000	2011 $'000
Note 6D: Inventories		
Inventories held for sale		
Finished goods	**239**	273
Provisions for obsolete inventory	**(180)**	(177)
Total inventories	**58**	96

No items of inventory are recognised at fair value less cost to sell.

All inventory is expected to be sold or distributed in the next 12 months.

	2012 $'000	2011 $'000
Note 6E: Other Non-Financial assets		
Prepayments	**25**	79
Total other non-financial assets	**25**	79
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	**25**	79
Total other non-financial assets	**25**	79

No indicators of impairment were found for other non-financial assets.

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

	2012 $'000	2011 $'000
Note 6C: Intangibles		
Computer software:		
Software licences - purchased	**728**	790
Internally developed - in use	**89**	14
Total computer software (gross)	**817**	805
Accumulated amortisation	**(817)**	(694)
Total computer software	**-**	110
Total intangibles	**-**	110

For further information, please refer note 6G

	2012 $'000	2011 $'000
Note 6D: Inventories		
Inventories held for sale		
Finished goods	**239**	273
Provisions for obsolete inventory	**(180)**	(177)
Total inventories	**58**	96

No items of inventory are recognised at fair value less cost to sell.

All inventory is expected to be sold or distributed in the next 12 months.

	2012 $'000	2011 $'000
Note 6E: Other Non-Financial assets		
Prepayments	**25**	79
Total other non-financial assets	**25**	79
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	**25**	79
Total other non-financial assets	**25**	79

No indicators of impairment were found for other non-financial assets.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 6F: Reconciliation of the opening and closing balances of property, plant and equipment (2011-12)

	Buildings $'000	Other IP & E $'000	Heritage and Cultural $'000	Total $'000
As at 1 July 2011				
Gross book value	**11,555**	**5,155**	**10,022**	**26,732**
Accumulated depreciation/amortisation and impairment	**(191)**	**(1,131)**	**(128)**	**(1,450)**
Net book value 1 July 2011	**11,364**	**4,024**	**9,894**	**25,282**
Additions:				
By purchase	**-**	**171**	**-**	**171**
Depreciation/amortisation expense	**(191)**	**(740)**	**(128)**	**(1,059)**
Disposals:				
Other - net writeback depreciation	**-**	**(47)**	**-**	**(47)**
Net book value 30 June 2012	**11,172**	**3,409**	**9,766**	**24,347**
Net book value as of 30 June 2012 represented by:				
Gross book value	**11,555**	**5,164**	**10,022**	**26,741**
Accumulated depreciation/amortisation and impairment	**(383)**	**(1,755)**	**(256)**	**(2,394)**
	11,172	**3,409**	**9,766**	**24,347**

Reconciliation of the opening and closing balances of property, plant and equipment (2010-11)

	Buildings $'000	Other IP & E $'000	Heritage and Cultural $'000	Total $'000
As at 1 July 2010				
Gross book value	11,555	4,556	10,004	26,115
Accumulated depreciation/amortisation and impairment	-	-	-	-
Net book value 1 July 2010	11,555	4,556	10,004	26,115
Additions:				
By purchase	-	720	18	738
Revaluations and impairments through equity	-	-	-	-
Depreciation/amortisation expense	(191)	(1,178)	(128)	(1,497)
Disposals:				
Other - net writeback depreciation	-	(73)	-	(73)
Net book value 30 June 2011	11,364	4,025	9,894	25,283
Net book value as of 30 June 2011 represented by:				
Gross book value	11,555	5,155	10,022	26,732
Accumulated depreciation/amortisation and impairment	(191)	(1,130)	(128)	(1,449)
	11,364	4,025	9,894	25,283

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 6G: Reconciliation of the Opening and Closing Balances of Intangibles (2011-12).

	Computer software purchased $'000	Computer software internally developed $'000	Total $'000
As at 1 July 2011			
Gross book value	**790**	**14**	**804**
Accumulated amortisation and impairment	**(684)**	**(10)**	**(694)**
Net book value 1 July 2011	**106**	**4**	**110**
Additions:			
By purchase or internally developed	**4**	**-**	**4**
Amortisation	**(44)**	**(1)**	**(45)**
Disposals:			
Other - net writeback depreciation	**(66)**	**(3)**	**(69)**
Net book value 30 June 2012	**-**	**-**	**-**
Net book value as of 30 June 2012 represented by:			
Gross book value	**728**	**89**	**817**
Accumulated amortisation and impairment	**(728)**	**(89)**	**(817)**
	-	**-**	**-**

Note 6G (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles (2010-11).

	Computer software purchased $'000	Computer software internally developed $'000	Total $'000
As at 1 July 2010			
Gross book value	727	89	816
Accumulated depreciation/amortisation and impairment	(649)	(82)	(731)
Net book value 1 July 2010	78	7	85
Additions:			
By purchase or internally developed	63	-	63
Amortisation	(35)	(2)	(37)
Disposals:			
Other	-	(1)	(1)
Net book value 30 June 2011	106	4	110
Net book value as of 30 June 2011 represented by:			
Gross book value	790	14	804
Accumulated depreciation/amortisation and impairment	(684)	(10)	(694)
	106	4	110

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

	2012 $'000	2011 $'000
Note 7: Payables		
Note 7A: Suppliers		
Trade creditors and accruals	**408**	797
Total supplier payables	**408**	797
Supplier payables expected to be settled within 12 months:		
External parties	**408**	797
Total	**408**	797

Settlement is usually made within 30 days.

	2012 $'000	2011 $'000
Note 7B: Grants		
Private Sector:		
Non profit organisations	**18**	46
Total grants payables	**18**	46
Note 7C: Other payables		
Salaries and wages	**272**	218
Superannuation	**301**	284
Unearned Income	**377**	450
Total other payables	**950**	952
Total other payables are expected to be settled in:		
No more than 12 months	**950**	952
Total other payables	**950**	952
Note 8: Provisions		
Note 8A: Employee provisions		
Leave	**2,064**	1,625
Total employee provisions	**2,064**	1,625
Employee provisions are expected to be settled in:		
No more than 12 months	**1,444**	1,383
More than 12 months	**620**	242
Total employee provisions	**2,064**	1,625

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

Note 9: Cash Flow Reconciliation	**2012 $'000**	2011 $'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	**180**	234
Balance Sheet	**180**	234
Difference	**-**	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	**(13,887)**	(13,502)
Add revenue from Government	**11,595**	15,679
Adjustments for non-cash items		
Depreciation/amortisation	**1,103**	1,534
Loss on sale of assets	**112**	36
Changes in assets and liabilities		
(Increase)/decrease in net receivables	**(415)**	(469)
(Increase)/decrease in inventories	**38**	(53)
(Increase)/decrease in prepayments	**54**	1
Increase/(decrease) in employee provisions	**509**	144
Increase/(decrease) in supplier payables	**(389)**	214
Increase/(decrease) in grant payables	**(29)**	(40)
Increase/(decrease) in other payables	**(2)**	(39)
Net cash from operating activities	**(1,309)**	3,505

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 10: Contingent Liabilities and Assets

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

Note 11: Remuneration of Councillors

	2012	2011
The number of Councillors of the Institute included in these figures are shown below in the relevant remuneration bands:		
less than $15,000	**9**	10
Total	**9**	10
	$	$
Total remuneration received or due and receivable by members of the Council of the Institute	**48,477**	62,660

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.

There are no Executive Councillors.

Note 12: Related Party Disclosures

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

M Dodson AM, Chair
J Maynard, Deputy Chair
R Tonkinson
J Oscar
D Ober
S Toussaint
M Wenitong
L Ford
R Quiggin

The Institute paid a Directors and Officers indemnity insurance premium of $2,911 (2010/11: $3,135) on behalf of Councillors during the year. Royalty payments totalling $137 (2010/11: $376) were made to Professor J Maynard, a Council member during the year, in relation to his book published through Aboriginal Studies Press. Other than these payments and remuneration as Councillor, 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 period ended 30 June 2012

Note 13: Executive Remuneration

Note 13A: Senior Executive Remuneration Expense for the Reporting Period

	2012	2011
	$	$
Short-term employee benefits		
Salary	**528,622**	353,035
Annual leave accrued	**35,024**	21,837
Performance bonuses	**26,167**	13,952
Motor vehicle and other allowances	**-**	35,094
Total short-term employee benefits	**589,812**	423,918
Post-employee benefits		
Superannuation	**77,973**	59,540
Total post-employee benefits	**77,973**	59,540
Other long-term benefits		
Long-service leave	**14,969**	(4,114)
Total other long-term benefits	**14,969**	(4,114)
Total	**682,754**	479,344

Notes:

1. Note 13A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus Paid' in Note 13B).
2. Note 13A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than $150,000.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 13B: Average Annual Reportable Remuneration Packages and Bonus Paid for Substantive Senior Executives During the Reporting Period

	2012					
Average annual reportable remuneration	**Senior Executives No.**	**Reportable Salary $**	**Contributed superannuation $**	**Reportable allowances $**	**Bonus paid $**	**Total $**
Total remuneration (including part-time arrangements)						
$180,000 to $209,999	1	144,178	59,957	-	-	**204,136**
$300,000 to $329,999	1	249,270	26,597	-	26,167	**302,035**
Total	**2**					

	2011					
Average annual reportable remuneration	Senior Executives No.	Reportable Salary $	Contributed superannuation $	Reportable allowances $	Bonus paid $	Total $
Total remuneration (including part-time arrangements)						
$210,000 to $239,999	1	167,640	32,675	-	13,952	214,267
$270,000 to $299,999	1	246,127	26,597	-	26,167	298,891
Total	2					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
a) gross payments (less any bonuses paid, which are seperated out and disclosed in the 'bonus paid' column);
b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
c) exempt foreign employment income.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration period, including any salary sacrificed amounts, as per the individuals' payslips.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on the individuals' payment summaries.

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 13C: Other Highly Paid Staff

	2012					
Average annual reportable remuneration	**Other Highly Paid Staff No.**	**Reportable Salary $**	**Contributed superannuation $**	**Reportable allowances $**	**Bonus paid $**	**Total $**
Total remueration (including part-time arrangements)						
$150,000 to $179,999	1	133,746	21,190	-	-	**154,936**
Total	**1**					

	2011					
Average annual reportable remuneration	Other Highly Paid Staff No.	Reportable Salary $	Contributed superannuation $	Reportable allowances $	Bonus paid $	Total $
Total remueration (including part-time arrangements)						
$150,000 to $179,999	1	141,322	18,305	-	-	159,627
Total	1					

Notes:

1. This table reports staff:
a) who were employed by the Institute during the reporting period;
b) whose reportable remuneration was $150,000 or more for the financial period; and
c) were not required to be disclosed in Tables 13A or 13B or remuneration of councillors.
Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
a) gross payments (less any bonuses paid, which are seperated out and disclosed in the 'bonus paid' column);
b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
c) exempt foreign employment income.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration period, including any salary sacrificed amounts, as per the individuals' payslips.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on the individuals' payment summaries.

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 14: Remuneration of Auditors

	2012	2011
	$	$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	**34,500**	34,000
	34,500	34,000

These amounts represent the fair value of services provided.

Moore Stephens Canberra 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 Moore Stephens during the reporting period.

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

	Notes	2012 $'000	2011 $'000
Note 15: Financial Instruments			
Note 15A: Categories of Financial Instruments			
Financial Assets			
Loans and receivables			
Cash on hand or on deposit	5A	**180**	234
Cash on call deposit	5C	**289**	917
Fixed Term Deposit with Bank	5C	**15,514**	16,311
Receivables for goods and services (net)	5B	**1,096**	677
Total Carrying amount of financial assets		**17,079**	18,139
Financial Liabilities			
At amortised cost:			
Trade creditors	7A	**408**	797
Carrying amount of financial liabilities		**408**	797
Note 15B: Net Income and Expenses from Financial Assets			
Loans and receivables			
Interest revenue	4B	**979**	922
Net gain loans and receivables		**979**	922
Net gain from financial assets		**979**	922

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 15: Financial Instruments (continued)

Note 15C: Fair Value of Financial Instruments

The net fair value of each class of the Institute's financial assets and liabilities approximate the carrying amount for both current and preceding reporting periods.

Note 15D: Credit Risk

The Institute is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2012: $701,000 and 2011: $677,000). The Institute has assessed the risk of default on payment and has allocated $9,384 (2011: $5,873) to a provision for doubtful debts account. The Institute had policies and procedures that guided employees debt receovery techniques that were to be applied. The Institute holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determinded as impaired

	Not past due nor impaired 2012 $'000	Not past due or impaired 2011 $'000	**Past due or impaired 2012 $'000**	Past due or impaired 2011 $'000
Cash and cash equivalents	**15,984**	17,462	**-**	-
Receivables for good as services	**1,007**	588	**89**	89
Total	**16,991**	18,050	**89**	89

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days $'000	**31 to 60 days $'000**	**61 to 90 days $'000**	**90+ days $'000**	**Total $'000**
Receivables for good as services	**-**	**48**	**2**	**39**	**89**
Total	**-**	**48**	**2**	**39**	**89**

Ageing of financial assets that were past due but not impaired for 2011

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Receivables for good as services	612	55	-	10	677
Total	612	55	-	10	677

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 15: Financial Instruments (continued)

Note 15C: Fair Value of Financial Instruments

The net fair value of each class of the Institute's financial assets and liabilities approximate the carrying amount for both current and preceding reporting periods.

Note 15D: Credit Risk

The Institute is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2012: $701,000 and 2011: $677,000). The Institute has assessed the risk of default on payment and has allocated $9,384 (2011: $5,873) to a provision for doubtful debts account. The Institute had policies and procedures that guided employees debt receovery techniques that were to be applied. The Institute holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determinded as impaired

	Not past due nor impaired 2012 $'000	Not past due or impaired 2011 $'000	**Past due or impaired 2012 $'000**	Past due or impaired 2011 $'000
Cash and cash equivalents	**15,984**	17,462	**-**	-
Receivables for good as services	**1,007**	588	**89**	89
Total	**16,991**	18,050	**89**	89

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days $'000	**31 to 60 days $'000**	**61 to 90 days $'000**	**90+ days $'000**	**Total $'000**
Receivables for good as services	**-**	**48**	**2**	**39**	**89**
Total	**-**	**48**	**2**	**39**	**89**

Ageing of financial assets that were past due but not impaired for 2011

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Receivables for good as services	612	55	-	10	677
Total	612	55	-	10	677

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 15E: Liquidity risk

The Institute financial liabilities are payables. The exposure to liquidity risk is the risk that the Institute will encounter difficulties in meeting obligations associated with financial liabilities. The Institute has minimal exposure to liquidity risk due to: appropriation funding; available funding mechanisms (e.g. Advance to the Minister of Finance); and internal policies and procedures that have been put into place to ensure that there are appropriate resources to meet its financial obligations.

Note 15F: Market risk

The Institute holds basic financial instruments that do not expose it to certain market risks. The Institute is exposed to minimal 'currency risk' and it not exposed to 'other price risk'.

Note 16: Financial Assets Reconciliation

		2012 $'000	2011 $'000
Financial assets	**Notes**		
Total financial assets as per balance sheet		**17,237**	18,300
Less: non-financial instrument components:			
GST receivables		**166**	167
Total non-financial instrument components		**166**	167
Total financial assets as per financial instruments note.		**17,071**	18,133

Note 17: Compensation and Debt Relief

No 'act of grace' payments were made during the year.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2012

Note 18: Reporting of Outcomes

Note 18A: Outcome of the Institute

The Institute is structured to meet one outcome:

"Further understanding of Australian Indigenous cultures, past and present through undertaking and publishing research, and providing access to print and audiovisual collections".

Note 18B: Net Cost of Outcome Delivery

	Outcome 1	
	2012	2011
	$'000	$'000
Departmental		
Expenses	**16,927**	16,382
Income from non-government sector	**2,583**	2,294
Own-source income	**457**	586
Net cost of outcome delivery	**13,887**	13,502

Note 18B: Major Classes of Expenses, Income, Assets and Liablilities by Outcomes

AIATSIS has one outcome, so these figures appear on the Statement of Comprehensive Income and Balance Sheet.