

FINANCIAL STATEMENTS

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**



INDEPENDENT AUDITOR'S REPORT

To the Minister for Innovation, Industry, Science and Research

I have audited the accompanying financial statements of Australian Institute of Aboriginal and Torres Strait Islander Studies for the year ended 30 June 2013, which comprise: a Statement by Councillors, Principal and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies and Notes to and Forming Part of the Financial Statements, including a Summary of Significant Accounting Policies.

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.

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 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*, 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 2013 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
13 September 2013

Financial Statements for the Year Ended 30 June 2013

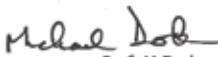
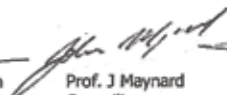
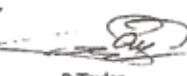
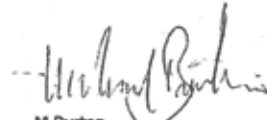
Australian Institute of Aboriginal and Torres Strait Islander Studies

Statement by Councillors, Principal and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2013 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 Chairperson	Prof. J Maynard Councillor	R Taylor Principal	M Burton Chief Financial Officer
13 September 2013	13 September 2013	13 September 2013	13 September 2013

Australian Institute of Aboriginal and Torres Strait Islander Studies

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Employee benefits	3A	11,516	10,468
Suppliers	3B	4,836	4,717
Grants	3C	7	523
Depreciation and amortisation	3D	1,043	1,103
Write-down and impairment of assets	3E	1	4
Losses from asset sales	3F	-	112
Total expenses		<u>17,403</u>	<u>16,927</u>
LESS:			
OWN-SOURCE REVENUE			
Own-source revenue			
Sale of goods and rendering of services	4A	653	1,078
Interest	4B	814	979
Grants	4C	2,071	2,166
Other	4D	1,162	961
Total own-source revenue		<u>4,700</u>	<u>5,184</u>
Gains			
Sale of assets	4E	39	-
Total gains		<u>39</u>	<u>-</u>
Total own-source income		<u>4,739</u>	<u>5,184</u>
Net cost of services		<u>12,664</u>	<u>11,743</u>
Revenue from Government	4F	12,798	9,451
Surplus (Deficit) attributable to the Australian Government		<u>134</u>	<u>(2,292)</u>
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		1,225	-
Total other comprehensive income		<u>1,225</u>	<u>-</u>
Total comprehensive income attributable to the Australian Government		<u>1,359</u>	<u>(2,292)</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 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	911	180
Trade and other receivables	5B	469	1,253
Other investments	5C	<u>16,686</u>	<u>15,804</u>
Total financial assets		<u>18,066</u>	<u>17,237</u>
Non-Financial Assets			
Land and buildings	6A	11,667	11,172
Property, plant and equipment	6B	13,211	13,175
Inventories	6D	30	58
Other non-financial assets	6E	9	25
Total non-financial assets		<u>24,917</u>	<u>24,430</u>
Total assets		<u>42,983</u>	<u>41,667</u>
LIABILITIES			
Payables			
Suppliers	7A	348	408
Grants, subsidies and personal benefits	7B	-	18
Other	7C	<u>807</u>	<u>950</u>
Total payables		<u>1,155</u>	<u>1,376</u>
Provisions			
Employees provisions	8A	<u>2,168</u>	2,064
Total provisions		<u>2,168</u>	2,064
Total liabilities		<u>3,323</u>	<u>3,440</u>
Net assets		<u>39,660</u>	<u>38,227</u>
EQUITY			
Contributed equity		3,463	3,390
Reserves		13,939	12,714
Retained surplus		<u>22,258</u>	<u>22,123</u>
Total equity		<u>39,660</u>	<u>38,227</u>

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

FINANCIAL STATEMENTS

Australian Institute of Aboriginal and Torres Strait Islander Studies
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2013

	Retained earnings		Asset revaluation surplus		Contributed equity / capital		Total equity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Opening balance								
Balance carried forward from previous period	22,123	24,415	12,714	12,714	3,390	3,319	38,227	40,448
Adjusted opening balance	22,123	24,415	12,714	12,714	3,390	3,319	38,227	40,448
Comprehensive income								
Other comprehensive income	-	-	1,225	-	-	-	1,225	1,225
Surplus (Deficit) for the period	134	(2,292)	-	-	-	-	134	(2,292)
Total comprehensive income	134	(2,292)	1,225	-	-	-	1,359	(2,292)
Transactions with owners								
Contributions by owners								
Equity injection	-	-	-	-	73	71	73	71
Sub-total transactions with owners	-	-	-	-	73	71	73	71
Closing balance as at 30 June	22,257	22,123	13,939	12,714	3,463	3,390	39,660	38,227

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 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Grants		2,071	2,167
Sales of goods and rendering of services		2,289	1,706
Receipts from Government		12,798	9,451
Interest		918	873
Net GST Received		13	-
Total cash received		<u>18,089</u>	<u>14,197</u>
Cash used			
Employees		(11,356)	(9,958)
Suppliers		(4,869)	(4,954)
Grants		(7)	(523)
Net GST paid		-	(71)
Total cash used		<u>(16,232)</u>	<u>(15,506)</u>
Net cash from (used by) operating activities	9	<u>1,857</u>	<u>(1,309)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		2	4
Investments		-	1,351
Total cash received		<u>2</u>	<u>1,355</u>
Cash used			
Purchase of property, plant and equipment		(319)	(171)
Investments		(882)	-
Total cash used		<u>(1,201)</u>	<u>(171)</u>
Net cash from (used by) investing activities		<u>(1,199)</u>	<u>1,184</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		73	71
Total cash received		<u>73</u>	<u>71</u>
Net cash from (used by) financing activities		<u>73</u>	<u>71</u>
The above schedule should be read in conjunction with the accompanying notes.		731	(54)
Cash and cash equivalents at the beginning of the reporting period		180	234
Cash and cash equivalents at the end of the reporting period	9	<u>911</u>	<u>180</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 2013

	2013	2012
	\$'000	\$'000
BY TYPE		
Other commitments		
Other ¹	67	38
GST payable on commitments	<u>7</u>	<u>4</u>
Total other commitments	<u>74</u>	<u>42</u>
Net commitments by type	<u>74</u>	<u>42</u>
BY MATURITY		
Other commitments		
One year or less	<u>74</u>	<u>42</u>
Total other commitments	<u>74</u>	<u>42</u>
Net commitments by maturity	<u>74</u>	<u>42</u>

NB: Commitments are GST inclusive where relevant.

¹ Other commitments are mainly IT equipment, provision of services where the services have not yet been provided or invoiced.

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

Schedule of Contingencies

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note:1	Summary of Significant Accounting Policies
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Note:11	Related Party Disclosures
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Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 1: Summary of Significant Accounting Policies

1.1 Objective of AIATSIS

AIATSIS is a not-for-profit 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.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

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 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. Heritage and cultural assets are valued through an independent valuer.

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

The following new, revised and amended standards were issued by the Australian Accounting Standard Board prior to the sign-off date, which are expected to have financial impact on the AIATSIS for future accounting periods.

AASB 9 Financial Instruments

AASB 13 Fair Value Measurement

AASB 119 Employee Benefits

AASB 1055 Budgetary Reporting

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements

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

for the period ended 30 June 2013

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.

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.

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

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.

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

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

for the period ended 30 June 2013

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. For 2012-13, the Institute does not have a provision for separation and redundancy.

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

Australian Institute of Aboriginal and Torres Strait Islander Studies
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for the period ended 30 June 2013

initial recognition. Financial assets are recognised and derecognised upon trade date. Other investments comprise deposits with maturities of over 3 months that are subject to an insignificant risk of changes in their fair-value.

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.

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.

Australian Institute of Aboriginal and Torres Strait Islander Studies
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for the period ended 30 June 2013

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 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.

Heritage and Cultural Assets

AIATSIS holds one of the most comprehensive collections of print materials on Australian Indigenous studies in the world. Our Audiovisual Archive has custodial responsibility for the world's largest unique collection of Indigenous cultural heritage collection of audio, motion picture, video and pictorial materials. Heritage and Cultural assets consist of artworks, artefacts and other collections including rare books held within our Library.

All items are recognised in our asset register once they have been accessioned. AIATSIS houses materials to archival standards, with collections held in secure, temperature and humidity controlled vaults. Our curatorial and preservation policies are contained within the AIATSIS Collection Development Policy and the 2025 Preservation Plan. The detailed policies can be found on our website www.aiatsis.gov.au.

Australian Institute of Aboriginal and Torres Strait Islander Studies
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for the period ended 30 June 2013

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 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:

	2013	2012
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

Australian Institute of Aboriginal and Torres Strait Islander Studies
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Impairment

All assets were assessed for impairment at 30 June 2013. 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, plant 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 accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives. The useful life of the Institute's intangible assets is nil (2011-12: 3 to 7 years).

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.

Australian Institute of Aboriginal and Torres Strait Islander Studies
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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

	2013	2012
	\$'000	\$'000
Note 3: Expenses		
Note 3A: Employee Benefits		
Wages and salaries	8,804	7,851
Superannuation		
Defined contribution plans	759	622
Defined benefit plans	686	622
Leave and other entitlements	991	1,157
Other employee benefits	276	216
Total employee benefits	<u>11,516</u>	<u>10,468</u>
Note 3B: Suppliers		
Goods and services		
Consultants	282	181
Contractors	253	173
Travel	737	851
Payroll Services	65	106
Building Expenses	619	720
Insurance	35	83
Professional Advice	702	641
Printing	71	50
Marketing	97	48
Office Expenses	1,106	1,259
ICT Expenses	554	372
Collection Expenses	86	105
Total goods and services	<u>4,607</u>	<u>4,589</u>
Goods and services are made up of:		
Provision of goods - external parties	2,580	2,796
Rendering of services - external parties	2,027	1,793
Total goods and services	<u>4,607</u>	<u>4,589</u>
Other supplier expenses		
Workers compensation expenses	229	128
Total other supplier expenses	<u>229</u>	<u>128</u>
Total supplier expenses	<u>4,836</u>	<u>4,717</u>

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

	2013	2012
	\$'000	\$'000
Note 3C: Grants		
Private sector:		
Research grants	<u>7</u>	<u>523</u>
Total grants	<u>7</u>	<u>523</u>
Note 3D: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	724	739
Buildings	191	191
Heritage and cultural assets	128	128
Total depreciation	<u>1,043</u>	<u>1,058</u>
Amortisation:		
Intangibles:		
Computer software	<u>-</u>	<u>45</u>
Total amortisation	<u>-</u>	<u>45</u>
Total depreciaton and amortisation	<u>1,043</u>	<u>1,103</u>
Note 3E: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Impairment of inventory	<u>1</u>	<u>4</u>
Total write-down and impairment of assets	<u>1</u>	<u>4</u>
Note 3F: Losses from Assets Sales		
Property, plant and equipment:		
Carrying value of assets sold	<u>-</u>	<u>112</u>
Total losses from asset sales	<u>-</u>	<u>112</u>
Note 3G: Operating Expenditure for Heritage and Cultural Assets		
Operating expenditure	460	445
Total	<u>460</u>	<u>445</u>

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

	2013	2012
	\$'000	\$'000
Note 4: Income		
OWN-SOURCE REVENUE		
<u>Note 4A: Sale of Goods and Rendering of Services</u>		
Provision of goods - external parties	332	464
Rendering of services - related entities	-	457
Rendering of services - external parties	321	157
Total sale of goods and rendering of services	<u>653</u>	<u>1,078</u>
<u>Note 4B: Interest</u>		
Deposits	814	979
Total interest	<u>814</u>	<u>979</u>
<u>Note 4C: Grants</u>		
From related entities	1,978	2,144
From external parties	93	22
Total grants	<u>2,071</u>	<u>2,166</u>
<u>Note 4D: Other Revenue</u>		
Conference fees	701	792
Contract administration	166	-
Other revenue	295	169
Total other revenue	<u>1,162</u>	<u>961</u>
GAINS		
<u>Note 4E: Sale of Assets</u>		
Property, plant and equipment:		
Proceeds from sale	39	-
Net gain from sale of assets	<u>39</u>	<u>-</u>
REVENUE FROM GOVERNMENT		
<u>Note 4F: Revenue from Government</u>		
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education		
CAC Act body payment item	12,798	9,451
Total revenue from Government	<u>12,798</u>	<u>9,451</u>

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

	2013 \$'000	2012 \$'000
Note 5: Financial Assets		
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	911	180
Total cash and cash equivalents	911	180
Note 5B: Trade and Other Receivables		
Good and Services:		
Goods and services - related entities	337	1,096
Total receivables for goods and services	337	1,096
Other receivables:		
GST receivable from the Australian Taxation Office	134	166
Total other receivables	134	166
Total trade and other receivables (gross)	471	1,262
Less impairment allowance account:		
Other	(2)	(9)
Total impairment allowance account	(2)	(9)
Total trade and other receivables (net)	469	1,253
Receivables are expected to be recovered in:		
No more than 12 months	469	1,253
Total trade and other receivables (net)	469	1,253
Receivables are aged as follows:		
Not overdue	179	796
Overdue by:		
0 to 30 days	82	-
31 to 60 days	14	48
61 to 90 days	8	2
More than 90 days	95	39
Total receivables (gross)	378	885
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	2	9
Total impairment allowance account	2	9
Reconciliation of the Impairment Allowance Account:		
Movements in relation to 2013		
	Goods and services \$'000	Total \$'000
Opening balance	9	9
Increase/decrease recognised in net surplus	(7)	(7)
Closing balance	2	2
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

Australian Institute of Aboriginal and Torres Strait Islander Studies
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	2013	2012
	\$'000	\$'000
Note 5C: Other Investments		
Other investments	<u>16,686</u>	<u>15,804</u>
Total other investments	<u><u>16,686</u></u>	<u><u>15,804</u></u>

Total other investments are expected to be recovered in:

No more than 12 months	<u>16,686</u>	<u>15,804</u>
Total other investments	<u><u>16,686</u></u>	<u><u>15,804</u></u>

Other investments comprise short-term deposits that have stated interest rates of 3.25 to 5.9 percent and mature in 1 to 3 months.

Note 6: Non-Financial Assets

Note 6A: Land and Buildings

Building on leasehold land:

Fair Value	11,667	11,555
Accumulated depreciation	-	(384)
Total land and buildings	<u><u>11,667</u></u>	<u><u>11,172</u></u>

Revaluation increment of \$685,224 for land and buildings were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet.

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.

Note 6B: Property, Plant and Equipment

Heritage and cultural:

Artworks and artefacts - fair value	7,303	7,293
Library collection - fair value	2,872	2,729
Accumulated depreciation	-	(256)
Total heritage and cultural	<u><u>10,175</u></u>	<u><u>9,766</u></u>

Other property, plant and equipment:

Fair Value	3,036	5,165
Accumulated depreciation	-	(1,755)
Total other property, plant and equipment	<u><u>3,036</u></u>	<u><u>3,409</u></u>
Total property, plant and equipment	<u><u>13,211</u></u>	<u><u>13,175</u></u>

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

Revaluation increment of \$14,655 for property, plant and equipment and an increment of \$525,329 for heritage and cultural assets were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet.

All revaluations were conducted in accordance with the revaluation policy at Note 1.14. On 30/6/2013 an independent valuer, Pickles Pty Ltd, conducted the revaluations.

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**

	2013	2012
	\$'000	\$'000
Note 6C: Intangibles		
Computer software:		
Software licences - purchased	-	728
Internally developed - in use	-	89
Total computer software (gross)	<u>-</u>	<u>817</u>
Accumulated amortisation	-	(817)
Total computer software	<u>-</u>	<u>-</u>
Total intangibles	<u>-</u>	<u>-</u>

Note 6D: Inventories

Inventories held for sale

Finished goods	211	239
Provisions for obsolete inventory	(181)	(180)
Total inventories	<u>30</u>	<u>58</u>

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

Note 6E: Other Non-Financial assets

Prepayments	9	25
Total other non-financial assets	<u>9</u>	<u>25</u>

Total other non-financial assets - are expected to be recovered in:

No more than 12 months	9	25
Total other non-financial assets	<u>9</u>	<u>25</u>

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

FINANCIAL STATEMENTS

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Note 6F: Reconciliation of the opening and closing balances of property, plant and equipment (2012-13)

	Buildings \$'000	Other IP & E \$'000	Heritage and Cultural \$'000	Total \$'000
As at 1 July 2012				
Gross book value	11,555	5,164	10,022	26,741
Accumulated depreciation/amortisation and impairment	(383)	(1,755)	(256)	(2,394)
Net book value 1 July 2012	11,172	3,409	9,766	24,347
Additions:				
By purchase	-	338	23	361
Revaluations and impairments through equity	686	14	525	1,225
Depreciation/amortisation expense	(191)	(724)	(128)	(1,043)
Other movements				
Writeback depreciation	-	134	-	134
Other disposals	-	(135)	(11)	(146)
Net book value 30 June 2013	11,667	3,036	10,175	24,878
Net book value as of 30 June 2013 represented by:				
Gross book value	11,667	3,036	10,175	24,878
Accumulated depreciation/amortisation and impairment	-	-	-	-
	11,667	3,036	10,175	24,878

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
Revaluations and impairments through equity	-	-	-	-
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

Australian Institute of Aboriginal and Torres Strait Islander Studies
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Note 6G: Reconciliation of the Opening and Closing Balances of Intangibles (2012-13).

	Computer software purchased \$'000	Computer software internally developed \$'000	Total \$'000
As at 1 July 2012			
Gross book value	-	-	-
Accumulated amortisation and impairment	-	-	-
Net book value 1 July 2012	-	-	-
Additions:			
By purchase or internally developed	-	-	-
Amortisation	-	-	-
Disposals:			
Other - net writeback depreciation	-	-	-
Net book value 30 June 2013	-	-	-
Net book value as of 30 June 2013 represented by:			
Gross book value	-	-	-
Accumulated amortisation and impairment	-	-	-
	-	-	-

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 depreciation/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 depreciation/amortisation and impairment	(728)	(89)	(817)
	-	-	-

Australian Institute of Aboriginal and Torres Strait Islander Studies
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	2013	2012
	\$'000	\$'000
Note 7: Payables		
Note 7A: Suppliers		
Trade creditors and accruals	<u>348</u>	<u>408</u>
Total supplier payables	<u><u>348</u></u>	<u><u>408</u></u>
Supplier payables expected to be settled within 12 months:		
External parties	<u>348</u>	<u>408</u>
Total	<u><u>348</u></u>	<u><u>408</u></u>
Settlement is usually made within 30 days.		
Note 7B: Grants		
Private Sector:		
Non profit organisations	<u>-</u>	<u>18</u>
Total grants payables	<u><u>-</u></u>	<u><u>18</u></u>
Note 7C: Other payables		
Salaries and wages	<u>328</u>	<u>272</u>
Superannuation	<u>301</u>	<u>301</u>
Unearned Income	<u>178</u>	<u>377</u>
Total other payables	<u><u>807</u></u>	<u><u>950</u></u>
Total other payables are expected to be settled in:		
No more than 12 months	<u>807</u>	<u>950</u>
Total other payables	<u><u>807</u></u>	<u><u>950</u></u>
Note 8: Provisions		
Note 8A: Employee provisions		
Leave	<u>2,168</u>	<u>2,064</u>
Total employee provisions	<u><u>2,168</u></u>	<u><u>2,064</u></u>
Employee provisions are expected to be settled in:		
No more than 12 months	<u>574</u>	<u>1,444</u>
More than 12 months	<u>1,594</u>	<u>620</u>
Total employee provisions	<u><u>2,168</u></u>	<u><u>2,064</u></u>

**Australian Institute of Aboriginal and Torres Strait Islander Studies
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Note 9: Cash Flow Reconciliation	2013	2012
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	911	180
Balance Sheet	911	180
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(12,664)	(11,743)
Add revenue from Government	12,798	9,451
Adjustments for non-cash items		
Depreciation/amortisation	1,043	1,103
Loss (Gain) on sale of assets	(34)	112
Changes in assets and liabilities		
(Increase)/decrease in net receivables	784	(415)
(Increase)/decrease in inventories	30	39
(Increase)/decrease in prepayments	17	54
Increase/(decrease) in employee provisions	104	509
Increase/(decrease) in supplier payables	(60)	(389)
Increase/(decrease) in grant payables	(18)	29
Increase/(decrease) in other payables	(143)	(2)
Net cash from operating activities	1,857	(1,309)

Australian Institute of Aboriginal and Torres Strait Islander Studies
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Note 10: Remuneration of Councillors

	2013	2012
The number of Councillors of the Institute included in these figures are shown below in the relevant remuneration bands:		
less than \$30,000	<u>9</u>	<u>9</u>
Total	<u><u>9</u></u>	<u><u>9</u></u>
	\$	\$
Total remuneration received or due and receivable by members of the Council of the Institute	<u><u>60,247</u></u>	<u><u>48,477</u></u>

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 11: 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
 S Toussaint
 M Wenitong
 R Quiggin
 D Ober
 N Collings

The Institute paid a Directors and Officers indemnity insurance premium of \$3,351 (2011/12: \$2,911) on behalf of Councillors during the year. Royalty payments totalling \$201 (2011/12: \$137) 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
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Note 12: Executive Remuneration

Note 12A: Senior Executive Remuneration Expense for the Reporting Period

	2013	2012
	\$	\$
Short-term employee benefits		
Salary	243,189	214,393
Annual leave accrued	10,324	15,477
Performance bonuses	24,319	21,439
Total short-term employee benefits	277,832	251,309
Post-employee benefits		
Superannuation	26,870	25,574
Total post-employee benefits	26,870	25,574
Other long-term benefits		
Long-service leave	3,303	4,471
Total other long-term benefits	3,303	4,471
Total	308,004	281,354

Notes:

1. Note 12A was prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus Paid' in Note 12B).
2. Note 12A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$180,000.
3. The comparative figures have been restated to reflect the changes in the threshold as per the Finance Minister's Orders. In 2011-12 the threshold was \$150,000, which has increased to \$180,000 in 2012-13.

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Note 12B: Average Annual Reportable Remuneration Packages and Bonus Paid for Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration	2013					
	Senior Executives No.	Reportable Salary \$	Contributed superannuation \$	Reportable allowances \$	Bonus paid \$	Total \$
Total remuneration (including part-time arrangements)						
\$180,000 to \$209,999	1	159,981	22,240	-	19,997	202,218
\$270,000 to \$299,999	1	218,857	26,870	-	26,832	272,559
Total	2					

Average annual reportable remuneration	2012					
	Senior Executives No.	Reportable Salary \$	Contributed superannuation \$	Reportable allowances \$	Bonus paid \$	Total \$
Total remuneration (including part-time arrangements)						
\$180,000 to \$209,999	1	170,178	33,957	-	-	204,136
\$300,000 to \$329,999	1	249,270	26,597	-	26,167	302,035
Total	2					

Notes:

- 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.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - exempt foreign employment income.
 - salary sacrificed benefits.
- 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.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on the individuals' payment summaries.
- '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.

Note 12C: Other Highly Paid Staff

There were no other highly paid staff with remuneration of \$180,000 or more for the 2012-13 financial period.

Australian Institute of Aboriginal and Torres Strait Islander Studies
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Note 13: Remuneration of Auditors

	2013	2012
	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	34,500	34,500
	<u>34,500</u>	<u>34,500</u>

These amounts represent the fair value of services provided.

KPMG 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 KPMG during the reporting period.

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

	Notes	2013 \$'000	2012 \$'000
Note 14: Financial Instruments			
<u>Note 14A: Categories of Financial Instruments</u>			
Financial Assets			
Loans and receivables			
Cash on hand or on deposit	5A	911	180
Cash on call deposit	5C	299	289
Fixed Term Deposit with Bank	5C	16,387	15,514
Receivables for goods and services (net)	5B	337	1,096
Total Carrying amount of financial assets		<u>17,934</u>	<u>17,079</u>
Financial Liabilities			
At amortised cost:			
Trade creditors	7A	348	408
Carrying amount of financial liabilities		<u>348</u>	<u>408</u>
<u>Note 14B: Net Income and Expenses from Financial Assets</u>			
Loans and receivables			
Interest revenue	4B	814	979
Net gain loans and receivables		<u>814</u>	<u>979</u>
Net gain from financial assets		<u>814</u>	<u>979</u>

Australian Institute of Aboriginal and Torres Strait Islander Studies
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for the period ended 30 June 2013

Note 14: Financial Instruments (continued)

Note 14C: 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 14D: 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 \$337,000 (2012: \$1,096,000). The Institute has assessed the risk of default on payment and has allocated \$2,443 (2012: \$9,384) to a provision for doubtful debts account. The Institute had policies and procedures that guided employees debt recovery 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 determined as impaired

	Not past due nor impaired	Not past due or impaired	Past due or impaired	Past due or impaired
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	17,597	15,984	-	-
Receivables for good as services	138	1,007	199	89
Total	17,735	16,991	199	89

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for good as services	82	14	8	95	199
Total	82	14	8	95	199

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

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

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Note 14E: 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 14F: 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 15: Financial Assets Reconciliation

	2013	2012
	\$'000	\$'000
Financial assets		
Total financial assets as per balance sheet	18,066	17,237
Plus: Impairment allowance	2	9
Less: non-financial instrument components:		
GST receivables	134	166
Total non-financial instrument components	134	166
Total financial assets as per financial instruments note.	17,934	17,080

Note 16: Compensation and Debt Relief

AIATSIS did not make any payments or provide for any provision in relation to compensation and debt relief, including either Act of Grace payments, waivers of debts owed to the Institute, payments made under the Compensation for Detriment caused by Defective Administration, payments made under approved ex-gratia programs or payments made in special circumstances relating to APS employment pursuant to Section 73 of the *Public Service Act 1999*.

	2013	2012
	\$	\$
No 'Act of Grace payments' were expended during the reporting period (2012: nil).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2012: nil).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2012: nil).	-	-
No ex-gratia payments were provided for during the reporting period (2012: nil).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the Public Service Act 1999 (PS Act) during the reporting period (2012: nil).	-	-

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Note 17: Reporting of Outcomes

Note 17A: 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 17B: Net Cost of Outcome Delivery

	Outcome 1	
	2013	2012
	\$'000	\$'000
Departmental		
Expenses	17,403	16,927
Income from non-government sector	2,761	2,583
Own-source income	-	457
Net cost of outcome delivery	14,642	13,887

Note 17C: Major Classes of Expenses, Income, Assets and Liabilities by Outcome

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