RESEARCH THAT MATTERS

The Australia Institute

2017-18 ANNUAL REPORT

The Australia Institute
Research that matters.

Corporate Information.

The Australia Institute Limited presents its Annual Report for the financial year 2017-18.

CORPORATE INFORMATION

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About
The Australia Institute

The Australia Institute is one of the country's most influential independent think-tanks.

We conduct research on a broad range of economic, social and environmental issues in order to inform public debate and bring greater accountability to the democratic process.

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

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

Our Goal.

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

Letter from the Chair.

Satisfaction with government in Australia has crashed in a decade from 86% to an all-time low of 41%.

Reflecting on another year of strong growth and increasing influence for The Australia Institute, I find myself questioning where we go from here and what the role of think tanks, and in particular The Australia Institute, is within Australia's public life. The context for this question is not only the extraordinary success of the Institute over the 2017/18 financial year, but the crashing confidence in government, and even in democracy among the Australian population.

A survey by Museum of Australian Democracy and the Institute for Governance and Policy Analysis at the University of Canberra, found that only 41% of Australians are satisfied with our democracy and barely one in three voters trust the federal government. Since that survey in July, we have seen a further change of Prime Minister, for no apparent reason and against the public's wishes (if polls are to be believed).

It is in the context of this crisis of confidence in our key public institutions that The Australia Institute has had its most successful year ever. By building policy recommendations on solid research and evidence, the Institute's work has been crucial to seeing off the proposed large company tax cuts and engaging Australians in a conversation about what our revenue base should look like. By assembling a panel of eminent former judges and experts the Institute has been able to successfully prosecute the case for a Federal Integrity Commission. Through careful, detailed research and study of the evidence, the Institute has exposed lies by government and other vested interests about the impact of renewable energy on our electricity supply and bust the myth of "reliable" coal power.

The list could go on much longer. The importance of this success however, is not just in seeing good policy outcomes being implemented and bad ones rejected. By bringing research and evidence to the fore in policy making, The Australia Institute is filling this deficit in public trust in our democratic systems. It is no coincidence that the last five years that have seen public confidence in democracy drop from 72% to 41% are the same five years that the Institute has picked up the reins and taken the lead in developing research based policy proposals and fought for increased accountability among public officials. It is my belief that The Australia Institute is now one of the most important institutions underpinning our society.

I am not alone in this view. In fact, in October 2018, The Australia Institute, Ben Oquist and Richard Denniss were named by the Australian Financial Review Magazine as one of the ten most influential people/organisations in the country. Now power and influence are not positives in themselves, however, when that influence derives from quality research, transparently published and publically defended it stands in stark contrast to that favouring vested interests and opaque relationships. I can only conclude that Australia needs The Australia Institute.

I have already mentioned a few of our successes this year. However, mention must also go to Richard Denniss and his wildly successful Quarterly Essay, Dead Right. In this essay, Richard systematically and entertainingly reveals the emperor's (neoliberalism in this case) nakedness. In doing so, he exposed the lie that there is no alternative to the neoliberal agenda of small government, privatisations and fiscal austerity that has driven Australian politics for nearly four decades. It is hard to think of a more important publication in Australia in 2018. The other ground-breaking work undertaken by the Institute this year was on the Murray Darling Basin. The complexity of the Basin Plan prevented proper scrutiny of its outcomes for years enabling politicians and large irrigators to act largely as they pleased. Maryanne Slattery's work in exposing this has already led to one Royal Commission and two further official investigations are now underway. Such work is the only way to restore faith in government and democracy and Australia owes Maryanne, the Institute and its donors an enormous debt.

The year ahead promises more of the same. Our Climate & Energy Program will play a huge role as climate policy becomes increasingly urgent. Our new South Australian office will bring our research focus to a key strategic part of the country. The upcoming election will see much of the Institute's research manifest within party policy platforms.

Thanks and credit must go to Ben Quist and entire staff. They work hard, they work for a purpose and they work successfully. Thanks also to our donors, large and small. If, as I have suggested, The Australia Institute is a vital part of Australia's democracy, then you are the real protectors of that democracy. Don't underestimate what your contribution achieves.

John McKinnon
Chair of The Australia Institute Board

Letter from the Executive Director.

When we talk about 'research that matters' we are talking about real, tangible changes that would not have happened if The Australia Institute was not there to make them happen.

During 2017-2018, we saw the defeat of the company tax cuts; talked about the lessons of the GFC; launched our Climate & Energy Program; prosecuted the case for a Federal Integrity Commission; exposed the flaws and maladministration of the Murray Daring Basin Plan and kick started a discussion on Australia's tax base – these discussions would not have happened if The Australia Institute was not there to make them happen.

It has been 10 years since the Global Financial Crisis and during the year we were honoured to host the former UK Minister the Rt. Hon Ed Balls PC for a national tour with the former Australian Deputy PM and Treasurer the Hon Wayne Swan. The GFC 10 years on, helped start a new conversation about what we can learn from the past and what we must do in the future.

In August, The Australia Institute had an important policy win when, after two years of reports, analysis, opinion pieces, podcasts, briefings and open letters, the Government's proposed company tax cuts were shelved. Our research estimates this will deliver an estimated $83 billion in government revenue over the next ten years. Revenue available for health, education, defence and a potential increase to Newstart in the future.

During October, we led the way in the tax debate and hosted the Revenue Summit at Parliament House, which saw some of Australia's leading experts discuss new ways Australia could efficiently and equitably increase public revenue to strengthen both our public finances and our future economy.

2018 also saw the launch of The Australia Institute's Climate & Energy Program, continuing the work of the former Climate Institute. The first major report from the Program showed us that Australia would not meet its Paris commitment unless urgent action is taken to transform the electricity sector.

Throughout the year we prosecuted the case for a Federal Integrity Commission. We now have a commitment by Government to establish a Commonwealth Integrity Commission and we will continue to work with the National Integrity Committee to ensure that any Federal Integrity Commission has the power to properly investigate and expose corruption at all levels of government.

We continued our critical work to expose the flaws and maladministration of the Murray Daring Basin Plan.

All of this work would not be possible without a highly engaged, resourceful and dedicated team of professionals whose contribution to the public policy debate in Australia makes real change happen. Also thank-you to our supportive and talented Board of Directors.

Here at The Australia Institute we often say 'We believe in politics' and that politics can and must be good.

We believe in politics because we believe in democracy. Any attempt to wish politics away results only in vacating the field. If we are to restore trust in our democracy, we need more people engaging in the public debate, not less.

That is why The Australia Institute is proud to be based in Canberra — the heart of Australian democracy, with access to politicians, parliament, the press gallery and the public service on our doorstep. You have to be in a debate to win a debate and at the Australia Institute we are always in the debate — often leading it.

We quite literally could not do what we do without our supporters big and small. Thank you. It is an honour to be entrusted to work at the nation's leading progressive think tank.

Ben Oquist
Executive Director of The Australia Institute

Research at a glance.

150+
Research Pieces

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

In 2017-18, we produced over 150 research pieces, including 120+ research reports, 25 submissions to government inquiries and project assessment processes, and 12 National Energy Emissions Audits.

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

120+
Research Reports

25 Submissions to Government Inquiries & Project Assessments

12
National Energy Emissions Audits

In the Media.

82.7 million
Total Cumulative Audience

3482
Press Clip Mentions

Syndicated to
8453
different bands, frequencies and websites

$55.4 million
ASR value (Advertising Space Rate)

Ten years on, voters say Labor's $52bn stimulus saved Australia from recession

GFC+10 Tour with Ed Balls & Wayne Swan

In 2008 the banks in Australia wobbled, the economy stalled, unemployment rose and... the government acted.

Ten years on from the Global Financial Crisis, with inequality entrenched, trickle-down economics is in search of a replacement.

To help start a new conversation about what we can learn from the past and what we must do in the future, we launched our GFC+10 initiative this year. As the rise of Donald Trump, the vote for Brexit and the embrace of 'good debt' and bank taxes make clear, not even the political right believe in neoliberalism any more.

We are proud to have hosted one of the key players in the global response to the Global Financial Crisis, Ret. Hon. Ed Balls PC, for a national speaking tour with Australian former Deputy Prime Minister and Treasurer, Hon. Wayne Swan.

How we achieve inclusive growth and tackle rising inequality is a very timely discussion, and the whole series of public events that took place over the week with Wayne Swan and Ed Balls continues to spark important public and policy debates.

Neo-liberalism has failed, says prominent British Labour figure Ed Balls

Curing Affluenza and Quarterly Essay

Richard Denniss cemented his status as one of Australia's foremost public intellectuals with his book *Curing Affluenza: How to buy less stuff and save the world* and his first *Quarterly Essay (QE70) Dead Right: How Neoliberalism Ate Itself and What Comes Next.*

Both the book and the essay struck a chord with the public, capturing the zeitgeist of a community increasingly concerned about the impacts of mindless consumerism and asking why, after 27 years of uninterrupted economic growth, Australians are now less equal?

An edited extract of *Dead Right* became the most read article across The Guardian after more than 32,000 people shared it, wanting to know "After the mining boom and decades of economic growth, how can Australia be broke?" While in *Curing Affluenza*, Richard argued we must distinguish between consumerism (the love of buying things), which is undeniably harmful to us and the planet, and materialism (the love of things), which can in fact be beneficial if we care for and repair the things we love instead of discarding them.

Most viewed

across the guardian

1 "The big con: how neoliberals convinced us there wasn't enough to go around
2 John Lloyd, public service commissioner, quits amid questions over conduct
3 Leader defends Nationals after Vikki Campion says she was told to have abortion
4 New Zealand former sex worker becomes a dame in Queen's birthday honours
5 NSW brumby plan makes Kosciuszko conservation 'impossible', RSPCA says

in australia news

6 Crayfish becomes online hero by detaching claw to escape boiling soup
7 Man who abused PM in pub charged with attempted murder of woman
8 Trump goes it alone: running the White House not like a president, but a CEO
9 "I spent the 90s immune to Hugh Grant's charms, but cannot resist them any longer
10 Guatemala's Fuego volcano erupts, killing 25 and injuring hundreds

Hands off our ABC

In the age of fake news and dwindling newsrooms, maintaining an independent and well-resourced ABC has never been more important.

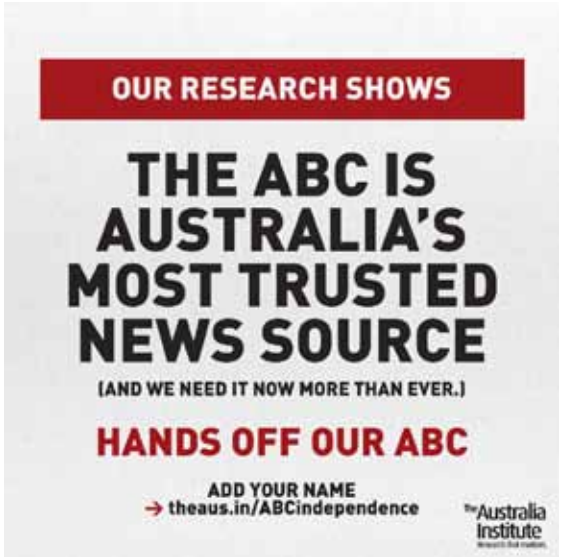
Yet the ABC is under unprecedented attack from the Coalition Government, Pauline Hanson's One Nation and the commercial media sector, with further funding cuts and multiple inquiries into the ABC's activities.

The Australia Institute's research shows the ABC is still Australia's most trusted news source and that a majority (68%) of respondents think the ABC is more important in an age of social media and fake news, including 64% of LNP and 61% of One Nation voters.

More than three times more voters trust the ABC (52%) than trust commercial media (14%) and voters across all parties (LNP, ALP, Greens and One Nation) trust the ABC more than commercial news sources.

The Australia Institute's submission to the competitive neutrality inquiry argued that commercial media in Australia does face serious competitive challenges, but these relate less to the ABC than to the rise of Google, Facebook, Netflix and other competitors for advertising revenue and that competitive neutrality is largely irrelevant to the ABC and SBS.

The audience of the ABC and SBS is citizens and their services are for citizens, while the audience of the commercial broadcasters is customers and their services are for customers.



The Australia Institute
Research that matters.

25 June 2018

Media Alert – Press Conference

Final call on Senate to oppose large company tax cut legislation

Who:
Cassandra Goldie – CEO, ACOSS
Ben Oquist – Executive Director, The Australia Institute
Claerwen Little – National Director, UnitingCare Australia
Corinne Dobson – Director of Policy and Research, St Vincent de Paul
Kasy Chambers – Executive Director, Anglicare Australia
Joy Kyriacou – Fair Economies Advocacy Manager, Oxfam Australia
Susan Helyar – Director, ACT Council of Social Service
Brad Halse – Salvation Army
Peter McNamara – Good Shepherd Microfinance

Where: **Mural Hall, Australian Parliament House**
When: **12.30pm TODAY,** Monday 25 June

Big Business Company Tax Cut

The Australia Institute had an enormous policy win when, after two years of Australia Institute reports and analysis, explainers, opinion articles, podcasts, briefings and open letters to Parliament, the Government's proposed large company tax cuts was shelved in June due to a lack of numbers in the Senate.

In the beginning, the Australia Institute was the only voice in the public debate arguing the economic case against company tax cuts. The whole of the business sector was supporting these tax cuts — from the Business Council of Australia to titans of industry, including the big banks, the supermarkets and the mining companies – but thanks to our supporters, quality research won out over the vested interests of the big end of town.

Time and again, Australia Institute research showed:
- No demonstrated connection between company tax cuts and economic prosperity, either internationally or historically in Australia.
- The big four banks would net an extra $9.5 billion dollars benefit in the first 10 years of the tax cuts
- Foreign shareholders would benefit most from the tax cuts
- No evidence the tax cuts would lead to greater wage growth, as promised
- The revenue time bomb the tax cuts would create for the Budget, putting future health, education and infrastructure funding at risk

The defeat of the large company tax cuts was a good economic outcome, a good budget outcome, and it was good for Australia's long-term revenue base and the services and infrastructure it can fund.

"[The Australia Institute] demonstrated that a relatively small but dynamic group of analysts, or activists, whatever you want to call them, can have a really big impact on public policy if they're effective at communicating.

And what they've done is they've come out and I think they've just waged this relentless argument against the tax cuts, which I think has been really influential in the debate and its given the people on the crossbench and the Labor Party the sort of intellectual basis to say argue against the economics…They are up against not only the Business Council of Australia, which represents corporate Australia, but you know, the Federal Treasury, the Federal Treasurer, elements of the Labor party, and I think they've prevailed"

– Aaron Patrick, Party Room Podcast

Top End Income Tax Cut Analysis

In the May Budget, Treasurer Scott Morrison proposed a $140 billion income tax cut package, including a dramatic flattening of Australia's progressive tax system.

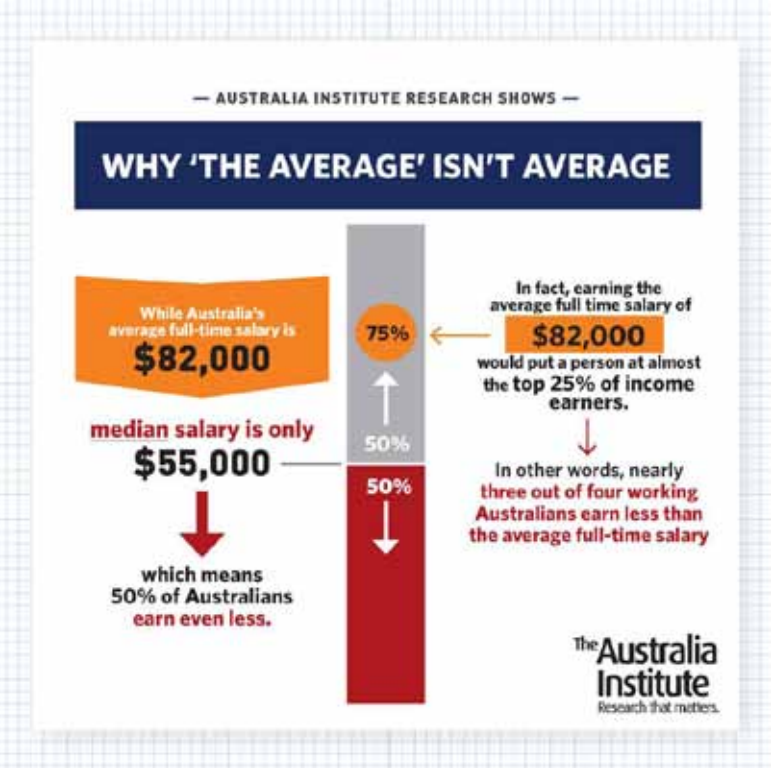
The tax cut came in three stages, and Stage two and Stage three contained the most unfair and expensive elements of the tax package, which together would see someone earning $41,000 a year paying the same marginal tax rate as someone on $200,000 a year.

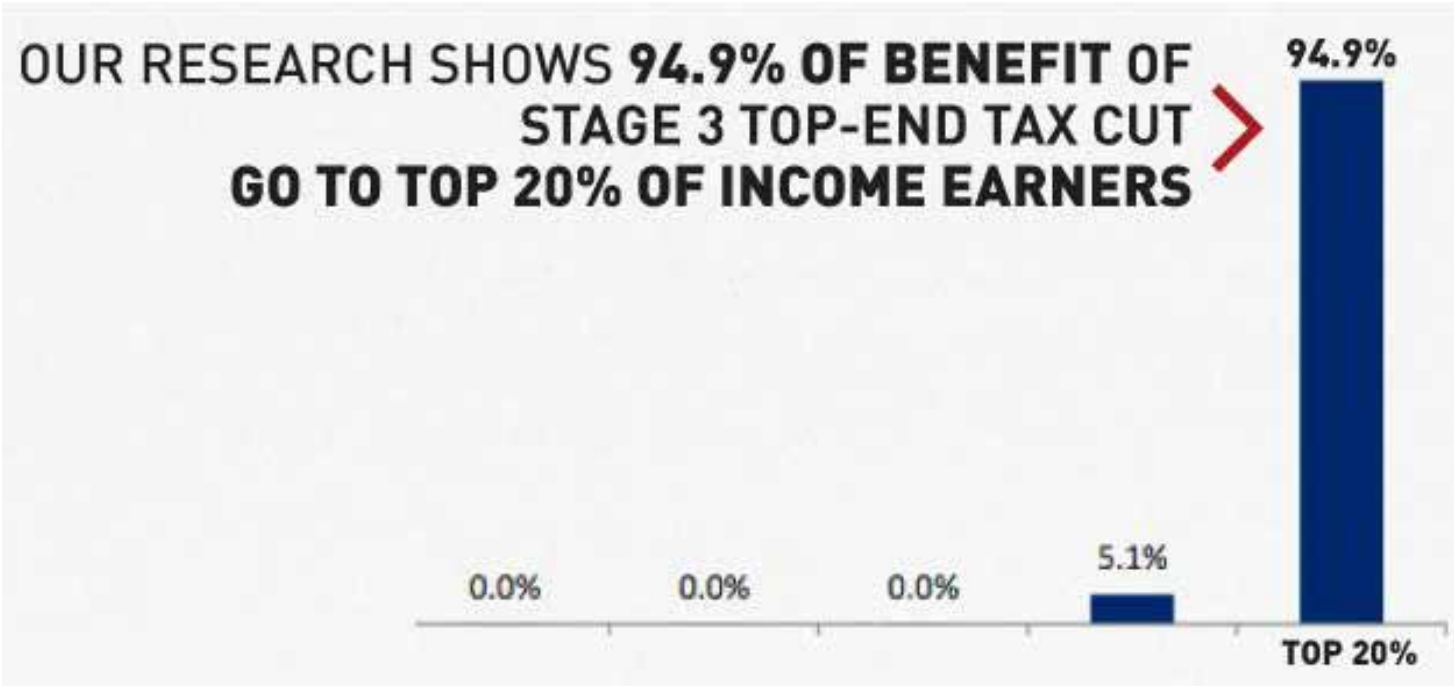
Australia Institute research showed that 94.9% of the benefit of stage 3 income tax cuts go exclusively to top 20% of taxpayers, while 75% of taxpayers get no benefit at all, at a total cost of to the Budget of $42 billion over the first five years of implementation.

Scott Morrison's claim that the top-end tax cuts would benefit most Australians because the average full time wage is $82,000 was misleading at best. Australia's median wage is $55,000, which means half of Australians earn even less.

Our research showed just how unfair the top-end tax cuts are. Already the 10 richest families in Australia own as much wealth as the poorest 4 million Australians combined. Australia's progressive income tax is one element of our tax system designed to level the playing field. If the Government's income tax plan goes ahead, it will erode this system and entrench inequality even further,

The Senate initially rejected stage 3 of the government's income tax plan, which is virtually unheard of – no income tax cut has ever failed to pass the Parliament. But the government tried again and again and eventually they passed, though Labor vowed to repeal these unfair tax cuts if it elected to government.





Australia is a low tax country

Early in 2018, former Treasury Secretary Ken Henry said that the overall total tax take is 'too low' and that there will be no progress on tax reform unless 'vested interest make way for the national interest'.

The Australia Institute could not agree more. We released research which showed that not only is Australia a low taxing country, we are one of the lowest taxing nations in the OECD.

Then we published an open letter in the Sydney Morning Herald, signed by 48 prominent Australians, including Nobel laureate and Australian of the Year Professor Peter Doherty and ACTU Secretary Sally McManus, backing our research and calling on all political leaders to reject a race to the bottom on tax cuts.

Unless there is a countervailing force, it is too easy for the debate to focus on how to cut taxes leading to an eventual reduction in Australia's revenue.

That's why the Australia Institute has sought to shift the debate away from tax cuts to a wider and more interesting debate about how to secure a strong revenue base for Australia.

A strong revenue base is crucial for Australia to continue funding community services and infrastructure, address inequality, and ensure ongoing prosperity. If we continue to cut taxes -- particularly for big business -- it's the Australian community who pays the price.

In January 2017 The Australia Institute launched a project to **establish a federal anti-corruption commission**, releasing polling and an open letter signed by prominent lawyers and accountability experts.

Following the open letter The Australia Institute announced it would hold an Accountability and the Law conference at Parliament House later in the year. In the lead up to the conference the Institute launched a series of research reports, submissions and further polling, including a report comparing the design features and effectiveness of the NSW and Queensland anti-corruption bodies.

During this time the project focused on building relationships with corruption experts. Experts with direct experience of corruption investigations including Geoffrey Watson SC and David Ipp AO QC briefed parliamentarians and Senators on the necessity of a corruption watchdog having broad jurisdiction and strong investigative powers. The project also re-engaged with the Hon Tony Fitzgerald AC QC at this time, launching the Fitzgerald Principles on RN Breakfast and The Project.

The Accountability and the Law conference was held on the 17th August 2017 at Parliament House in Canberra. The conference included keynote speeches from the Hon David Ipp AO QC, Geoffrey Watson SC and former NSW DPP Nicholas Cowdery AM QC. Attendees also heard from corruption experts the Hon Anthony Whealy QC and George Williams AO, and the day concluded with a speech from Shadow Attorney General Mark Dreyfus QC MP.

Following the conference, the Australia Institute established the National Integrity Committee of corruption fighters and retired judges to begin designing a federal ICAC, including Stephen Charles AO QC, Margaret McMurdo AC QC and Anthony Whealy QC. The committee first met in October 2017, and featured on ABC's 7.30 Report in early November. The committee has travelled to Canberra a number of times to launch their work, which includes the 'Principles for Designing a National Integrity Commission' and the 'Design Blueprint for a National Integrity Commission,' and has met with Shadow Attorney General Mark Dreyfus QC MP and Attorney General Christian Porter MP.

Opposition Leader Bill Shorten MP announced Labor's support of a National Integrity Commission on the 30th January 2017 at the National Press Club.

When should Australia celebrate Australia Day?

With the debate about the date of Australia Day heating up, The Australia Institute's poll found that most Australians do not know Australia Day has not always been on January 26, don't know what happened on January 26, and don't think the landing in Port Jackson is the best day on which to hold the national day. While most Australians think Australia Day is important, most don't really mind when it is held, as long as it happens. Most Australians don't think the national day should be on a day that offends Indigenous Australians, but most Australians are unaware that the current date is offensive to many Indigenous Australians.

Ready to release the polling in the lead up to Australia Day, our Deputy Director Ebony Bennett was on TV and radio non-stop throughout the day and the polling featured throughout coverage helping to take some heat out of the ongoing debate in the lead-up to January 26.

Saying Yes! to Marriage Equality

The Australia Institute partnered with the National LGBTI Health Alliance and Dr Saan Ecker to survey more than 9,500 LGBTIQ people and their allies to investigate stress as a result of exposure to negative messages about LGBTIQ people during the same-sex marriage postal survey.

A sixty-two, thirty-eight result was an overwhelmingly positive result politically, but the debate took a real toll on the LGBTIQ+ community.

The full results will be published soon, but preliminary results show:

- Experiences of verbal and physical assaults more than doubled in the 3 months after the announcement of the postal vote compared to the 6 months before.
- There was an increase in reported experiences of depression, anxiety and stress after the announcement of the vote.

Australia Institute staff and supporters were also proud to hold a phone-banking party at our Canberra office for the 'Yes' campaign.

Moves to expand the under-utilised Pension Loan Scheme (PLS) to allow pensioners access to the scheme was a welcome budget breakthrough.

This sensible economic reform would allow those on the aged pension to effectively access some of the value of their home without having to sell it.

Congratulations to Treasurer Scott Morrison for delivering this budget breakthrough.

It never made sense to exclude pensioners from accessing the scheme while allowing wealthier Australians the right to use the mechanism.

The PLS, which is effectively a government run reverse mortgage, has the potential to make a real difference to people's lives. Giving older Australians extra cash, at no cost to government, will allow many people to live in their own home with more financial security. The scheme deserves more promotion generally.

Having the federal government involved in such a reverse mortgage arrangement is sensible economics. The PLS will keep costs down for customers, the financial infrastructure is already in place and over time the scheme will be cost neutral for the government as all loans are repaid and secured against the value of the pensioner's home.

The Australia Institute proposed an expansion of the PLS in the 2014 report: *Boosting Retirement Incomes the Easy Way*. Long term strategic research and engagement has produced this important outcome.

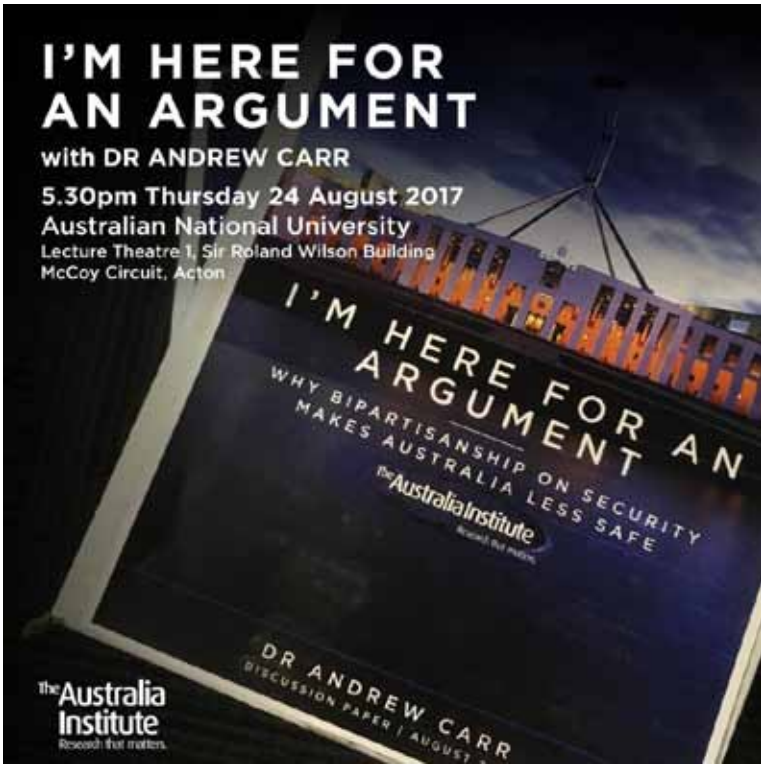
Pension Loan Scheme:

"Congratulations to Treasurer Morrison for delivering this budget breakthrough"

I'm Here for an Argument

This paper, by Dr Andrew Carr of the Strategic and Defence Studies Centre at the Australian National University, looks at where this sense of bipartisanship came from, how it operates and assesses its impact. While seemingly an innocuous idea — that our two major parties should seek agreement or cooperate in a spirit of unity — the reality today is far more corrosive.

A default approach of bipartisanship restricts policy creativity and accountability, reduces public engagement with critical issues and saps national unity. This paper argues that given the growing instability of Australia's strategic environment, it is urgent that our political class fulfil their responsibility to openly debate what principles this country stands for, how we will act and what costs we will pay to protect other states and ourselves. By rejecting the potential to even disagree about the right way forward in these uncertain times, the demand for bipartisanship leaves us all less secure.



From Start to Finnish

Reforming South Australia's traffic fine system using Finland's progressive model

Jesper Lindqvist
April 2016

The Australia Institute
Research that matters.

Back in 2016:

Then in 2018:

Means test driving fines: push for equality at Labor conference

The Power of Interns

Jesper Lindqvist came to The Australia Institute as an intern – a requirement of his Swedish university degree. During his time, he contributed to our research into mine rehabilitation and corporate malfeasance, but also pursued a personal project: could the Nordic approach of proportional fines – where high income earners pay more than low income earners – ever work in Australia?

Jesper's report *Finland's Fine Example* found that Australia's current traffic fine system is regressive and could be made fairer and more effective if fines were proportional to income.

The report's release was covered on radio and news.com.au. Remarkably, the report attracted attention long after Jesper returned to Europe to continue his studies, with a run on Channel Nine news in 2016.

Jesper's striking finding that people in South Australia face particularly high traffic fines given their incomes provoked further interest, with Uniting Communities launching Jesper's follow up report tailored to South Australia, *From Start to Finnish*.

In 2018, the topic came roaring back with NSW Labor proposing proportional fines as part of their equality policies. Major newspapers used figures from The Australia Institute's report to explain how Labor's scheme could be implemented.

Finland's Fine Example is a demonstration that public policy can be slow work – it took two and a half years after publication for NSW Labor to adopt proportional fines as policy – but also of the power of interns.

As the Institute launches an internship program in the coming year, we hope to continue mentoring and supporting new and fresh thinking to contribute to public debate.

Climate & Energy Program

In 2017, the Australia Institute launched its specialist Climate & Energy Program to build on our existing work and to carry forward the work of The Climate Institute, which closed its doors in June 2017 and transferred all its research and IP to the Australia Institute.

It was Australia Institute research that first revealed — back in 1994 — that Australia had the highest per capita greenhouse gas emissions and since then our research has played an integral role in securing the future of ARENA and the CEFC, when we worked with key crossbenchers to save these agencies from repeal. We established the No New Coal Mines initiative for a global moratorium on new coal mines and we have spent years debunking — in Parliament, in the media, in frontline communities and in court — the false jobs and other economics claims of the fossil fuel industry. And since we launched the Climate & Energy Program it has gone from strength to strength. Here are a few highlights.

Meeting our Paris commitment

The first major report from the Climate & Energy Program showed Australia would not meet its Paris commitment to reduce emissions unless it moved rapidly toward at least 66% renewable energy by 2030, and it was reported on widely including on the front page of the Sydney Morning Herald.

The analysis of the government-commissioned modelling finds that, to meet its Paris commitment, Australia faces a choice:

1. adopt a least-cost path, involving a transition to between 66-75% renewable energy by 2030

2. further delay the transformation of the electricity sector, which will increase the cost to the economy as a whole and push a greater proportion of the emission reduction task onto other sectors, such as agriculture, transport and manufacturing.

Solving the 'Energy Trilemma'

Since early 2017 our research has shown that smart NEM reforms can deliver on the 'energy trilemma': lower prices, improve security and cut emissions. There has been progress, with the Five Minute Rule adopted in November 2017.

Putting emissions onto the agenda in NT fracking debate.

Despite the massive potential global warming impacts from fracking in the Northern Territory, until earlier this year emissions had barely registered in the public debate on the issues.

In fact, the Government's Fracking Inquiry found annual emissions from fracking could be up to 98 million tonnes per year (including from gas burned overseas), which is equivalent to almost 20% percent of Australia's entire domestic emissions.

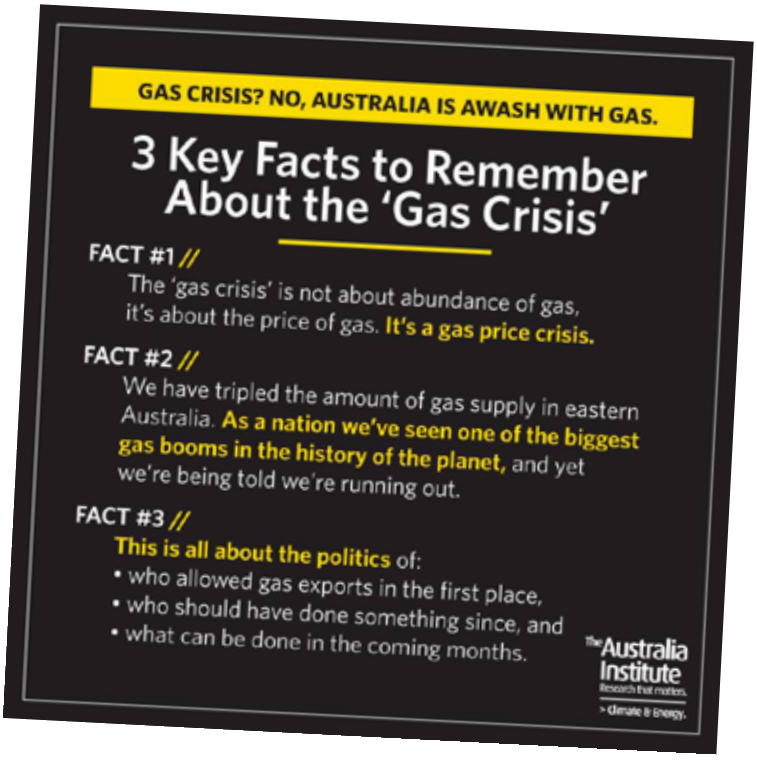
Despite this, in their "Draft Final Report" the Inquiry found the climate impacts of fracking would be a "low consequence" and "acceptable risk"

The Australia Institute released a series of reports showing the impacts of global warming on the NT, the huge potential emissions from fracking, and published an open letter signed by 30 of Australia's leading scientists calling for fracking to be permanently banned in the Northern Territory on the basis of its climate impacts.

By the time the final report was released, the Inquiry panel completely changed their view, acknowledging that the increase in fracking emissions was "unacceptable" and recommending that any domestic emissions from fracking be "fully offset". This recommendation has been accepted by the Northern Territory Government.

Given the emissions that would occur within Australia could be the equivalent to up to 6.6% of Australia's annual emissions, offsetting these properly would be a huge cost to the industry that would almost certainly undermine the viability of fracking in the NT.

The Australia Institute will be watching keenly to ensure this recommendation is implemented properly.



Energy reforms

Our research has proposed demand response, which allows energy consumers to sell 'negawatts' of reduced demand into the National Electricity Market, as a way to keep the electricity grid stable and to reduce price peaks.

ACT Energy Minister Shane Rattenbury launched the report in Canberra and the Australia Institute has since pursued a rule change within the National Electricity Market to allow a greater role for demand response.

The Daily Telegraph

Stations sweat on blackouts

ANNABEL HENNESSY

COAL and gas power stations are shutting down up to three times a week because they are too old and cannot stand the heat.

New analysis from think tank The Australian Institute shows that since December 13 there have been 20 "trips" at stations across the country — with the most recent NSW failure at Tallawarra Power Station last Friday.

The Wollongong plant lost 394 megawatts for two hours and its owner, Energy Australia, is still investigating the cause of the shutdown.

A coal-fired power station at Lake Macquarie, Eraring, lost 275 megawatts on January 7 in the peak of demand as temperatures exceeded 40C in parts of NSW.

With sweltering temperatures again predicted later this week, the frequency of the shutdowns has energy experts concerned about the prospect of more blackouts. Australia Institute principal adviser Mark Ogge has been tracking the rate of shutdowns and said it was clear evidence "coal and gas plants" could not withstand soaring temperatures.

"These plants weren't designed for this and when we have heatwaves, (with) huge peaks in demands, they are breaking down," he said. "The climate is changing and they've become unreliable."

Australia Institute deputy director Ebony Bennett said the problem could result in more blackouts if the heatwaves continued. "We should be concerned because these plants clearly can't cope," she said.

But NSW Energy Minister Don Harwin dismissed the concerns, telling The Daily Telegraph the state was well prepared this summer.

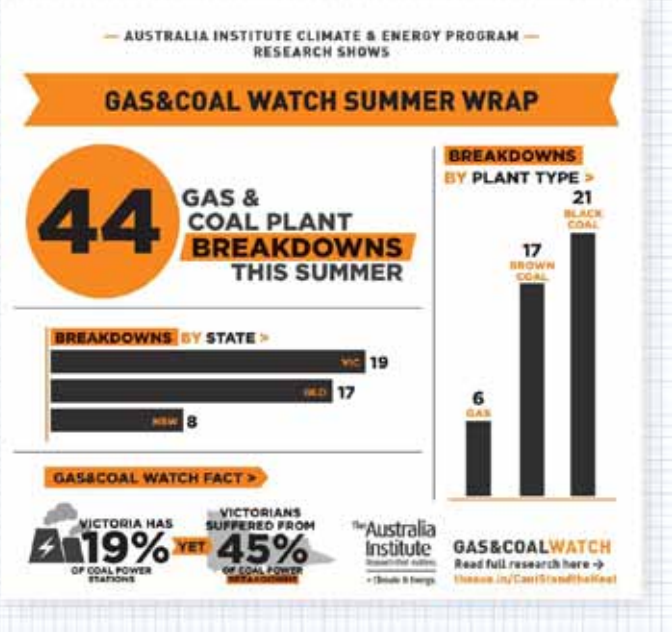
"The Australian Energy Market Operator says NSW is well placed to face whatever challenges summer might ordinarily bring," he said.

"These plants weren't designed for this and when we have heatwaves, (with) huge peaks in demands, they are breaking down"

— Mark Ogge
Australia Institute advisor

The Australia Institute
Research that matters.
> Climate & Energy.

GAS&COALWATCH
Read full research here →
theaus.in/CantStandtheHeat



Gas & Coal Watch

Gas and coal-fired power stations are 'baseload' power, but that does not make them reliable.

Gas & Coal Watch is an initiative to publicly monitor the breakdowns of gas and coal-fired power stations over summer, launched by the Australia Institute at the beginning of summer in December 2017.

We logged 44 separate breakdowns of gas and coal-fired power plants between December and February, sometimes during heatwaves – right when we need power the most. Based on data from OpenNEM, a project to make National Electricity Market data available to all, the data show striking visualisations of Australia losing hundreds of megawatts of capacity without warning.

Gas & Coal Watch captured public attention and we decided to continue it beyond summer, showing:

- A further 39 breakdowns between March and June
- The role of solar PV in reducing peak demand, including during heatwaves when gas and coal-fired power plants were least reliable
- Which fossil fuel plants were most likely to break down, with Victoria's brown coal plants breaking down more than three times as often (per GW of capacity) as other fossil fuel plants.

Turns out, it is gas and coal-fired power stations that are unreliable. And the Australia Institute helped turn the tables in the energy reliability debate.

No New Coal Mines: Stop Adani

To stop making climate change worse, we have to stop building new coal mines. But our governments seem unable to stop themselves from actively supporting them with taxpayer money. The Australia Institute's research has uncovered the sorry history of subsidies to coal and most recently to the Adani mega coal mine – despite our polling research showing this is very last thing people want funded.

When it was revealed Adani was lined up for a $1 billion taxpayer loan subsidy from the Northern Australia Infrastructure Facility (NAIF), NAIF itself was completely absent from the media coverage, and even refused to comment. The Australia Institute went digging; and our research and FOIs revealed NAIF was a tiny agency with few staff or policies coming under enormous political pressure to fund its Minister's favoured coal project. That was despite Adani itself saying they didn't need the loan — which under NAIF's rules meant it should have been ruled out.

Instead of making the sensible decision to reject the proposal, NAIF became the centre of national controversy. The Australia Institute's research resulted in claims it was a 'boondoggle machine' and a yearlong Senate Inquiry, to which The Australia Institute gave extensive evidence in writing and at the hearing. The final report a year later drew heavily on our recommendations, but unfortunately baulked at a new rule to stop taxpayer funds to coal infrastructure.

In the end it wasn't the NAIF but the Queensland government that stopped the loan. Facing pressure about the NAIF loan to Adani, the Queensland government obfuscated for months, but our research showed what a veto would really mean – and eventually the Queensland government did just that. During the Queensland election, we set out the economic case for redirecting the funds into more jobs rich and sustainable projects, and our polling showed the subsidy was politically toxic, even in North Queensland. That set the stage for a defining moment at the Sky Voters Forum when literally no one supported subsidies to Adani.

Without the Australia Institute's research and engagement, Adani may well have received its $1 billion loan.

Murray Darling Basin

The Murray Darling Basin Plan has been under sustained attack from corporate agribusiness, its lobbyists and political representatives. Intense campaigns are being waged to favour particular businesses and regions, reduce environmental water and undermine the independence of the Murray Darling Basin Authority (MDBA). These campaigns involve not just lobbying and disinformation but federal and state legislative and administrative measures, close political engagement and manipulation of the MDBA and state water offices.

The tensions in the MDB came to a head in July 2017 with an ABC Four Corners exposé that included accusations of large-scale water theft and showed confronting footage of huge illegal dams. The Four Corners report resulted in five official reviews and investigations by parliamentary inquiries, auditors general, a Royal Commission in South Australia and other independent reviewers.

The Australia Institute hired ex-MDBA employee Maryanne Slattery to be our Senior Water Researcher in November 2017 and since then the Australia Institute's research—driven by Maryanne's encyclopaedic knowledge of the MDBA's management and the Basin Plan— has exposed the maladministration of the Murray-Darling Basin Plan, including how the then Minister for Water, Barnaby Joyce approved the $17m purchase of water in the Warrego Valley after criticising the Labor Government for contemplating the same thing. The Australia Institute made submissions to the South Australian Royal Commission and Maryanne gave evidence about which the Commissioner commented "the amount of labour and thought is palpable and greatly appreciated". The Productivity Commission has also released a draft report on the implementation of the Basin Plan, which echoed many of the issues the Australia Institute's research has raised.

2018 and 2019 are critical years for the Murray Darling Basin (MDB) as stakeholders move towards implementation of the Murray Darling Basin Plan in mid-2019 and the Institute will continue to expose flaws and maladministration, as well as policy paths to help fix the mess the MDB is in.

Murray-Darling Basin

Murray-Darling basin plan near collapse after Senate blocks changes

Greens, NXT and Labor disallow regulation that would reduce northern basin environmental water recovery target

Anne Davies

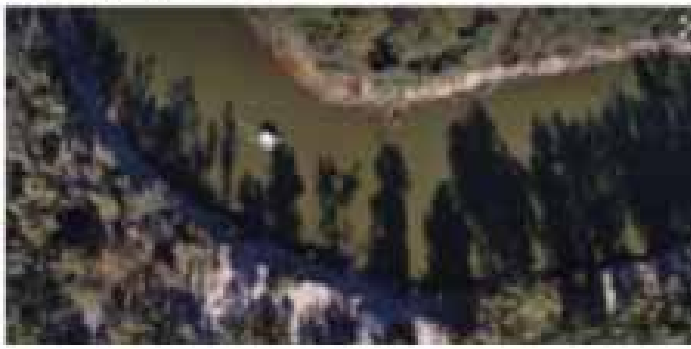
Background Briefing

'Trust us': Changes to Murray-Darling plan may face legal challenges

Best laid plans: The Murray-Darling Basin in crisis (Part 2)

High and dry

A focus on hugely lucrative water buybacks has left the Nationals vulnerable to accusations they have abandoned family farmers. By *Mike Seccombe*.



Broken Murray plan 'rips off SA'

Meanwhile, the Australia Institute has warned that the amendment now before the Senate includes a provision for states to request a reallocation between valleys of extraction limit, without any supporting science or socioeconomic analysis.

in deep water

CHANGES TO BASIN PLAN COULD BE BLOCKED BY LABOR, GREENS AND NXT

In brief

Government 'must haggle over water'

CANBERRA: The Nick Xenophon Team has asked the commonwealth auditor-general to examine allegations the federal government overpaid vendors for water in Queensland. The Australia Institute report found the Department of Agriculture and Water Resources demonstrated a "Monty Pythonesque" inability to haggle, paying well above recognised value per megalitre of water. "Yet again ... the government has not achieved value for money for the taxpayer in its execution of the Murray-Darling Basin Plan," NXT senator Rex Patrick said.

The Sydney Morning Herald

PHOTO: Maryanne Slattery, a former policy director, left her job at the Murray Darling Basin Authority. (ABC News)

Joyce's 'goanna water' deal raises queries after buyback doubles price

The Australia Institute Tasmania

Over the past year, the Australia Institute in Tasmania has worked with culture and thought leaders in Tasmania to set a long term vision via our #WTF2050 project, engaged in policy discussions that shaped the state election, helped Tasmania to lead the way on 100% renewable energy and got a taste of next year's federal election via the Braddon by election.

Renewable energy

On average, Tasmania received 90% of its energy from renewable energy. The political and policy debate in the state wasn't do renewable work, it was should we be more than 100% renewable, where would we send it to, how do we engage with the national energy market and who should own Basslink. The three major parties could not agree on these (in some ways) peripheral issues and it was impacting the state's ability to go ahead and increase renewable capacity. The Institute engaged in government stakeholder forums, released reports on the need for Tasmania to increase capacity and the potential for electric vehicles in the state. In the lead up to the state election, parties were still unaligned on some of the issues, but importantly they had aligned on the need to play to start increasing our renewable energy capacity and make sure Tasmania was 100% renewable by 2022.

Inequality

The national debate on inequality resonates in Tasmania, home to some of the poorest electorates in Australia. Including Tasmania in the Ed Balls and Wayne Swan tour influenced the Tasmania state election and laid the groundwork for the debate on inequality and company tax cuts in the Braddon by election.

Pokies

The institute submitted research and gave evidence to the Joint Select Committee on Future Gaming Markets. Our work challenged industry figures on employment and analysed the economic impact of redirecting revenue away from monopoly held poker machine and in to local economies. The research was used by a number of community groups and attracted significant media attention.

The returned Liberal government's policy was to continue to have poker machines in the community, but the acceptance of the industry in the state has been dramatically reduced.

Tasmania could become first state to blow up the pokies under Labor plan

Tasmania is perfectly placed to take advantage of wind power

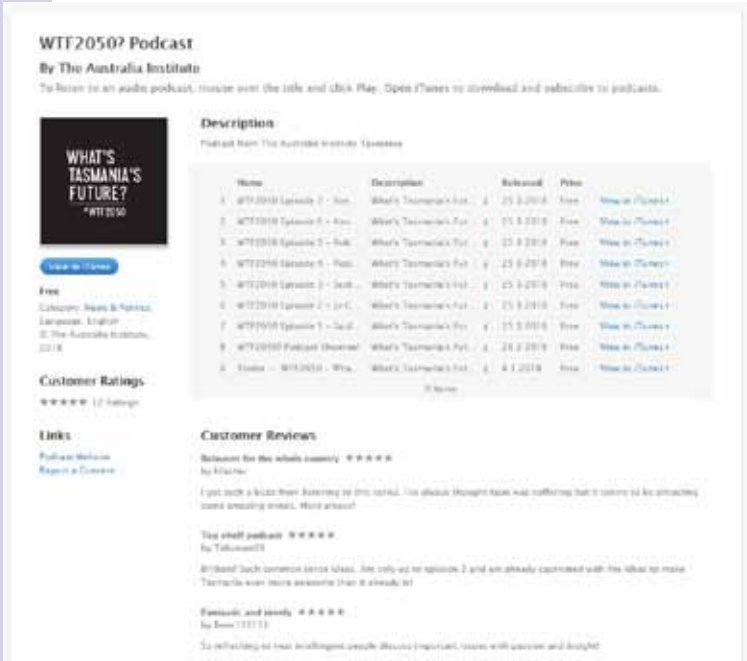
Playing to our advantage in renewable energy

#WTF2050 — Big ideas for Tasmania's future

#WTF2050
What's Tasmania's Future, is an ongoing project that asks Tasmanians, what do we want our future to look like by 2050. The project was launched in March 2018 and showcased some bold ideas by some of the states best thinkers. We worked with some of Tasmania's most successful, inspiring and engaging people from the worlds of business, charity, politics, sport and community leadership. An essay challenging them to pitch their vision for 2050 was published on line and in news papers and was accompanied by a podcast. Our first round of ambassadors included:

- Saul Eslake, economist, company director, and Vice Chancellor Fellow at UTAS.
- Rosalie Martin, Tasmanian of the Year 2017, a pioneer in effective literacy practice.
- Jo Cook foodie & curator, Dark MOFO Winterfeast.
- Posie Graeme-Evans, award winning drama producer and bestselling author.
- Scott Rankin, founder of Big hArt, 2018 Tasmanian of the Year.
- Robin Banks, former Tasmanian Anti Discrimination commissioner.
- Kirsha Keachele, entrepeneur, co-owner MONA.

Building new leaders in Tasmania — we are taking on a young person for one year to train for future leadership positions in Tasmania. The paid internship is seeking to hire a young person from a regional area in Tasmania.



Centre for Future Work

The Centre for Future Work is a project housed within the Australia Institute, specialising in progressive economic research on work, employment, and labour. The Centre has been operating for two full years – under the leadership of economist Dr. Jim Stanford, its founding director.

The Centre has quickly become recognised as an independent centre of excellence on the many economic challenges facing working people: including the future of jobs, wages and income distribution, skills and training, industrial relations and unions, sector and industry policies, globalisation, the labour market impacts of government, the value of public services, and more. The Centre also develops timely and practical policy proposals to help make the world of work better for working people and their families.

During the 2017-18 financial year, the Centre published 12 full research reports, 3 shorter briefing papers, and 14 commentary and op-ed articles. Topics covered include wage stagnation, penalty rates, automation, the "gig" economy, and vocational education.

The Centre's research programme is undertaken by its own direct staff, with contributions from other staff at the Australia Institute, and work by contracted or voluntary external researchers. By leveraging support services and infrastructure from the broader Australia Institute, the Centre's limited resources are multiplied into a much bigger impact.

The Centre's research regularly receives strong coverage in the print and electronic media (largely thanks to efforts by the Australia Institute's communications team). And journalists now regularly approach the Centre with requests for information, analysis, and commentary on labour market issues. The Centre received mention in over 700 media articles during the year – a media profile far out of proportion with its small size.

The Centre's social media engagement is also significant and growing: with close to 2000 followers of our active Twitter feed, and wide circulation of Facebook and Medium entries.

The Centre maintains a collegial but arms-length relationship with Australia's trade unions, and other movements and advocates for fairer work and workplaces. Leaders and members of trade unions widely cite and circulate the Centre's research and social media posts among union members and activists. For example, at the 2018 Congress of the Australian Council of Trade Unions (ACTU), at least 8 different Centre publications were highlighted during plenary debates and panel sessions. The Centre also sponsors regular 2-day and 5-day courses in "Economics for Union Members," organised through the ACTU's ongoing training program.

Stagnant wages linked to decline in strikes

Other highlights of the year include:

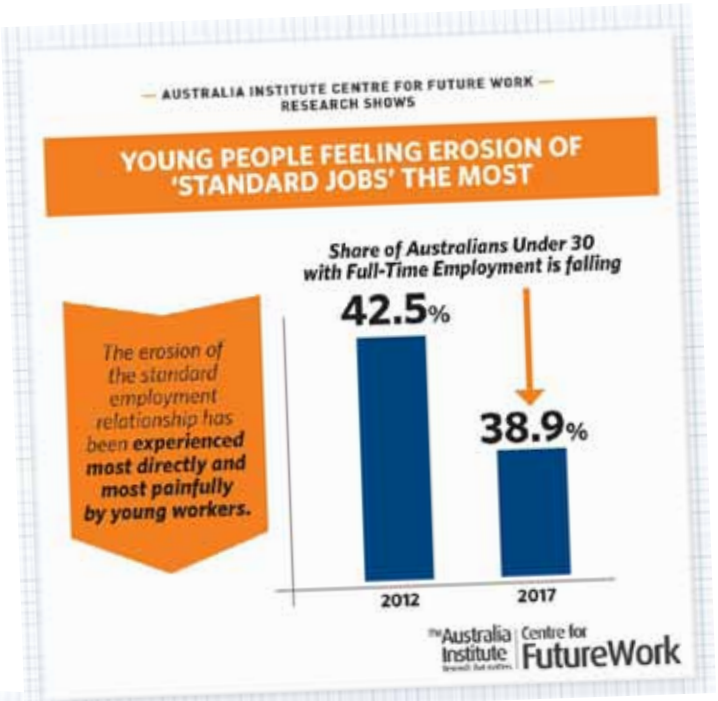
• A composite submission to the Commonwealth Senate's select inquiry on "The Future of Work and the Future of Workers," which synthesised our work on several aspects of the evolution of work.

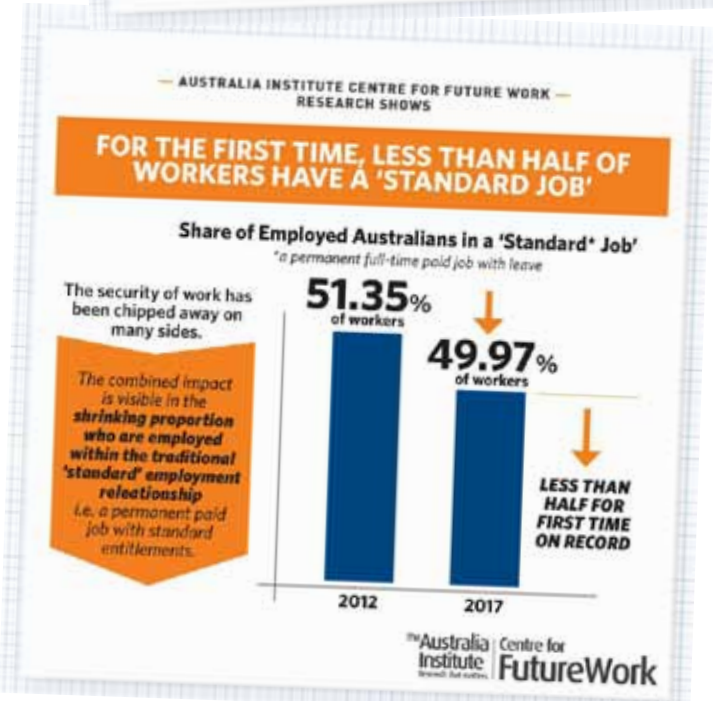
• Publication of two different symposia of peer-reviewed academic research articles: one on the growth of the gig economy, and one on the shrinking share of wages in national GDP. The symposia arose from conference panels organised by the Centre, and both generated significant mass media coverage (unusual for academic research).

• In June 2018, we co-sponsored the second annual National Manufacturing Summit in Parliament House (building on the successful first summit we organized in 2017), with the participation of several other industry and business bodies.

• Our biggest media coverage to date has been from a report issued in May, 2018, titled The Dimensions of Insecure Work. This report noted that for the first time in recorded statistics, less than half of employed Australians now occupy a traditional "job": full-time permanent paid work with normal entitlements (like paid leave and superannuation). The report continues to generate considerable interest from journalists and policy-makers alike.

A growing number of Australians worry deeply about the growing unfairness of work, the erosion of job security, and the very future of work (given technological change and the rise of gig jobs). The Centre is thus filling a timely and necessary role in Australia's public policy debate. With our new staff, our growing reputation, and our expanding network among policy-makers, advocates, and the media, the Centre is well-positioned to live up to this potential.





CORPORATE GOVERNANCE

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

Our Corporate Governance Policy

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

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

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

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

Our Board of Directors

All non-executive Directors volunteer their time, and receive no remuneration for serving on the Institute's board.

Meeting of Directors in 2017-18

Our Board met on the following dates:

Directors	17 Nov	16 Mar	Total
Dr John McKinnon *(Chair)*	1	1	2
Professor Barbara Pocock *(Deputy Chair)*	0	1	1
Dr Elizabeth Cham	1	1	2
Mr Andrew Dettmer	0	1	1
Dr David Morawetz	1	1	2
Ms Lee Thomas	0	-	0
Mr Josh Bornstein	1	1	2
Dr Elizabeth Hill	1	1	2

***Ceased** --*
Ms Lee Thomas resigned from the Board effective 8 December 2017.

Research Committee

The Research Committee approves the Institute's research priorities and activities funded from the Research Fund. The Research Committee met three times in 2017-18 in July, December and June. Membership of the Research Committee is subject to the prior approval of the Australian Government and members are nominated on the basis of their proven ability to direct a research program, as evidenced by their academic qualifications and professional appointments.

Research committee members for 2017-18 were: Professor Jon Altman, Dr Hugh Saddler, Dr Richard Denniss, Emeritus Professor Alastair Greig, Professor Barbara Pocock, Professor Spencer Zifcak, Professor Hilary Bambrick and Dr Elizabeth Hill.

Management

Executive Director Ben Oquist, Deputy Director Ebony Bennett, Research Director Rod Campbell and Communications Director Anna Chang led the day to day operations of the Institute throughout 2017-18.

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2018

The Australia Institute Limited
ACN 061 969 284

2017-18 FINANCIAL YEAR

The Australia Institute
Research that matters.

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THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

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DIRECTORS' REPORT

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2018.

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

Barbara Ann Pocock
David Morawetz
Elizabeth Cham
John Edward McKinnon
Leanne (Lee) Thomas (resigned 8th December 2017)
Andrew Dettmer
Joshua Bornstein
Elizabeth Hill
Ebony Bennett (Company Secretary to 16th March 2018)
Kathleen O'Sullivan (Company Secretary from 16th March 2018)

Principal Activities
The principal activity of the Company during the year was Research.
There has been no significant change in the nature of this activity during the year.

Objectives
The Australia Institute conducts research on a broad range of economic, social, transparency and environmental issues to inform public debate and bring greater accountability to the democratic process.

Strategy for Achieving the Objectives
1. Produce high quality research.
2. Effectively communicate research findings to key policy makers, NGOs, academics and the broader community in order to effect policy change.
3. Increase fundraising base in order to diversify the Institute's revenue base.

Results
The net profit for the group for the year ended 30 June 2018 was $531,789 (2017: profit $679,465).

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Attended	**Held**
Barbara Ann Pocock	**1**	**2**
David Morawetz	**2**	**2**
Elizabeth Cham	**2**	**2**
John Edward McKinnon	**2**	**2**
Leanne (Lee) Thomas	**0**	**1**
Andrew Dettmer	**1**	**2**
Joshua Bornstein	**2**	**2**
Elizabeth Hill	**2**	**2**

Held: represents the number of meetings held during the time the director held office.

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

DIRECTORS' REPORT

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

Events occurring after the reporting date
The Australia Institute Limited resigned as the member of Jubilee Australia Research Centre Limited on 1 July 2018. Jubilee Australia Research Centre Limited will therefore no longer be a controlled entity of The Australia Institute Limited from this date.

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

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

John Edward McKinnon

Barbara Pocock

Dated this 1 Day of November 2018

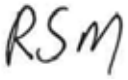
AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial statements of The Australia Institute Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS

Canberra, Australian Capital Territory
Dated: 2 November 2018

GED STENHOUSE
Partner

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE AUSTRALIA INSTITUTE LIMITED

Opinion

We have audited the financial report of The Australia Institute Limited and its Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

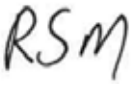
Directors' Responsibilities for the Financial Report

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

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

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

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



RSM AUSTRALIA PARTNERS

Canberra, Australian Capital Territory
Dated: 2 November 2018

GED STENHOUSE
Partner

DIRECTORS' DECLARATION

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with Australian Charities and Not-for-profits Commission Act 2012:

    a. Comply with Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

    b. Give a true and fair view of the financial position as at 30 June 2018 and the performance for the year on that date of the Company.

2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

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

John Edward McKinnon

Barbara Pocock

Dated this 1 day of November 2018

STATEMENT OF PROFIT & LOSS

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
Revenue from ordinary activities	2	3,997,579	3,544,320	3,873,513	3,462,215
Employee expenses		(2,147,117)	(1,813,717)	(2,108,436)	(1,808,210)
Depreciation		(19,576)	(16,315)	(19,576)	(16,315)
Occupancy expenses		(149,483)	(57,675)	(30,536)	(36,134)
Other expenses	3	(1,149,614)	(977,148)	(1,131,650)	(964,420)
		(3,465,790)	(2,864,855)	(3,290,198)	(2,825,079)
Surplus for the financial year		531,789	679,465	583,315	637,136
Other Comprehensive Income		-	-	-	-
Surplus attributable to members		**531,789**	**679,465**	**583,315**	**637,136**

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

STATEMENT OF FINANCIAL POSITION

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	3,199,278	2,777,703	3,113,748	2,675,912
Trade and other receivables	5	323,802	169,726	335,997	166,242
TOTAL CURRENT ASSETS		**3,523,080**	**2,947,429**	**3,449,745**	**2,842,154**
NON-CURRENT ASSETS					
Property, plant & equipment	6	82,157	41,088	82,157	41,088
TOTAL NON-CURRENT ASSETS		**82,157**	**41,088**	**82,157**	**41,088**
TOTAL ASSETS		**3,605,237**	**2,988,517**	**3,531,902**	**2,883,242**
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	7	134,471	78,897	114,885	78,897
Provisions	8	172,522	137,254	172,522	137,254
TOTAL CURRENT LIABILITIES		**306,993**	**216,151**	**287,407**	**216,151**
NON-CURRENT LIABILITIES					
Provisions	8	45,194	51,105	45,194	51,105
TOTAL NON-CURRENT LIABILITIES		**45,194**	**51,105**	**45,194**	**51,105**
TOTAL LIABILITIES		**352,187**	**267,256**	**332,601**	**267,256**
NET ASSETS		**3,253,050**	**2,721,261**	**3,199,301**	**2,615,986**
EQUITY					
Retained Earnings		3,253,050	2,721,261	3,199,301	2,615,986
TOTAL EQUITY		**3,253,050**	**2,721,261**	**3,199,301**	**2,615,986**

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

STATEMENT OF CHANGES IN EQUITY

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated		The Australia Institute	
	Retained Earnings	Total	Retained Earnings	Total
	$	$	$	$
Balance at 30 June 2016	2,041,796	2,041,796	1,978,850	1,978,850
Surplus attributable to members	679,465	679,465	637,136	637,136
Balance at 30 June 2017	**2,721,261**	**2,721,261**	**2,615,986**	**2,615,986**
Balance at 30 June 2017	2,721,261	2,721,261	2,615,986	2,615,986
Surplus attributable to members	531,789	531,789	583,315	583,315
Balance at 30 June 2018	**3,253,050**	**3,253,050**	**3,199,301**	**3,199,301**

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

STATEMENT OF CASH FLOW

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 $	Consolidated 2017 $	The Australia Institute 2018 $	The Australia Institute 2017 $
Cash flow from operating activities					
Receipts from operations		3,865,909	3,570,011	3,725,775	3,471,029
Payments to suppliers and employees		(3,445,026)	(2,855,377)	(3,288,509)	(2,800,254)
Interest received		61,337	41,517	61,215	41,198
Net cash provided by operating activities	**12**	482,220	756,151	498,481	711,973
Cash flow from investing activities					
Payment for property, plant and equipment		(60,645)	(45,320)	(60,645)	(45,320)
Net cash provided by/(used in) investing activities		**(60,645)**	**(45,320)**	**(60,645)**	**(45,320)**
Net increase in cash		421,575	710,831	437,836	666,653
Cash and cash equivalents at beginning of the financial year		2,777,703	2,066,872	2,675,912	2,009,259
Cash and cash equivalents at end of the financial year		**3,199,278**	**2,777,703**	**3,113,748**	**2,675,912**

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

NOTES TO THE FINANCIAL STATEMENTS

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

(a) Consolidation

The consolidated financial statements as at 30 June 2018 comprise The Australia Institute and its controlled entity (together referred to as "the Group"). Refer to Note 11 (b) for further information of the controlled entity.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by The Australia Institute as at 30 June 2018 and the results of the controlled entities for the year then ended. Subsidiaries are consolidated from the date on which control is obtained through to the date on which control ceases. The Group applies consistent accounting policies and the effects of all transactions and balances between the entities are eliminated in full.

(b) New Australian Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Income tax

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

(d) Property, plant and equipment

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

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

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

(e) Depreciation

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

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

Class of fixed asset	Depreciation Rate
Office equipment, furniture and fittings	40%
Office fit-outs	20%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

(i) Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

(j) Revenue
Donations are recognised as revenue when received. Interest revenue is recognised using the effective interest method.

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

Non-reciprocal grant revenue is recognised in profit or loss when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

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

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

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

(m) New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

(m) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 1004 Contributions and clarifies the treatment of the receipt of income by not-for-profit entities.

Income received where there is an associated performance obligation should be recognised in line with the principles of AASB 15, whereas donations with no future obligation may be recognised immediately. In cases where assets or services that were received below market value, such assets or services should be recognised at fair value. When an entity receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset (provided the relevant asset recognition criteria are met) or an expense. Local governments, government departments, general government sectors (GGSs) and whole of governments are required to recognise volunteer services if they would have been purchased if not provided voluntarily and the fair value of those services can be measured reliably. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company

NOTES TO THE FINANCIAL STATEMENTS

(n) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

	Consolidated		The Australia Institute	
	2018	2017	2018	2017
	$	$	$	$
NOTE 2: REVENUE				
Donations	3,098,303	3,002,688	2,979,473	2,920,902
Interest received	61,337	41,517	61,215	41,198
Publications	26,727	10,786	26,727	10,786
Royalties	508	4,895	508	4,895
Other income	810,704	484,434	805,590	484,434
	3,997,579	**3,544,320**	**3,873,513**	**3,462,215**
NOTE 3: OTHER EXPENSES				
Consultants	(1,650)	(6,453)	(1,650)	(6,453)
Commissioned research	(195,877)	(298,834)	(195,877)	(298,834)
Postage, printing and stationary	(21,767)	(25,055)	(17,582)	(22,630)
Promotions	(147,007)	(35,734)	(147,007)	(35,734)
Superannuation	(200,260)	(169,278)	(200,260)	(169,278)
Telecommunications	(57,524)	(50,452)	(57,524)	(50,452)
Travel, accommodation and conferences	(192,415)	(229,349)	(182,811)	(221,273)
Other expenses	(333,114)	(161,993)	(328,939)	(159,766)
	(1,149,614)	**(977,148)**	**(1,131,650)**	**(964,420)**
NOTE 4: CASH AND CASH EQUIVALENTS				
Cash at bank	2,565,816	2,153,051	2,480,286	2,051,255
Cash on hand	300	300	300	300
Term deposits	633,162	624,352	633,162	624,357
	3,199,278	**2,777,703**	**3,113,748**	**2,675,912**

	Consolidated		The Australia Institute	
	2018	2017	2018	2017
	$	$	$	$
NOTE 5: TRADE AND OTHER RECEIVABLES				
Trade debtors	108,570	12,241	122,822	12,241
Provision for doubtful debts	(8,082)	-	(8,082)	-
Rental deposit	-	3,025	-	3,025
Prepayments	1,896	4,126	-	4,126
Paypal receivable	221,418	150,334	221,257	146,850
	323,802	**169,726**	**335,997**	**166,242**

Credit Risk — Trade and Other Receivables
The Company does not have any material credit risk exposure to any single receivable or group of receivables.

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment				
At cost	141,283	80,638	141,283	80,638
Accumulated depreciation	(59,126)	(39,550)	(59,126)	(39,550)
	82,157	**41,088**	**82,157**	**41,088**

Movements in Plant & Equipment Carrying Amounts
Reconciliation of movements in the carrying amounts of property, plant and equipment between the beginning and the end of the current financial year.

Plant and equipment	**Consolidated**	**The Australia Institute**
Balance at the beginning of the year	41,088	41,088
Additions	60,645	60,645
Disposals	-	-
Depreciation expense	(19,576)	(19,576)
Carrying amount at the end of the year	**82,157**	**82,157**

NOTE 7. TRADE AND OTHER PAYABLES				
Trade creditors and accruals	85,942	80,217	66,356	80,217
GST liability(receivable)	48,529	(1,320)	48,529	(1,320)
	134,471	**78,897**	**114,885**	**78,897**

NOTE 8: PROVISIONS				
CURRENT				
Provision for annual leave	121,219	137,254	121,219	137,254
Provision for long service leave	51,303	-	51,303	-
	172,522	**137,254**	**172,522**	**137,254**
NON CURRENT				
Provision for long service leave	45,194	51,105	45,194	51,105
	45,194	**51,105**	**45,194**	**51,105**
Total Provisions	**217,716**	**188,359**	**217,716**	**188,359**

NOTES TO THE FINANCIAL STATEMENTS

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9: CAPITAL AND LEASING COMMITMENTS	**Consolidated**		**The Australia Institute**	
	2018	**2017**	**2018**	**2017**
Operating Lease Commitments	**$**	**$**	**$**	**$**
Non-cancellable operating leases contracted for but not capitalised in the financial statements.				
No later than one year	60,040	44,376	60,040	44,376
Later than one year but not later than 5 years	371,192	199,366	371,192	199,366
Minimum lease payments	**431,232**	**243,742**	**431,232**	**243,742**

NOTE 10: MEMBERS' LIABILITY

The Company is limited by guarantee. Upon winding up the constitution provides that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At the 30 June 2018 there were 7 members.

NOTE 11 (a): RELATED PARTY TRANSACTIONS
The Directors during the year ended 30 June 2018 were:

Barbara Ann Pocock	Andrew Dettmer
David Morawetz	Joshua Bornstein
Elizabeth Cham	Elizabeth Hill
John Edward McKinnon	Ebony Bennett (Company Secretary to 16 March 2018)
Leanne (Lee) Thomas	Kathleen O'Sullivan (Company Secretary from 16 March 2018)

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

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

Key Management Personnel Compensation Summary				
Short Term Employee Benefits	469,008	458,473	469,008	458,473
Long Term Employee Benefits	45,729	33,820	45,729	33,820
	514,737	**492,293**	**514,737**	**492,293**

NOTE 11 (b) : CONTROLLED ENTITIES

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

NOTE 12: CASH FLOW INFORMATION

(a) Reconciliation of cash

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

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
Cash at bank	4	2,565,816	2,153,051	2,480,286	2,051,255
Cash on hand	4	300	300	300	300
Term deposits	4	633,162	624,352	633,162	624,357
		3,199,278	**2,777,703**	**3,113,748**	**2,675,912**

(b) Reconciliation of cash flow from operations

Profit from operating activities	531,789	679,465	583,315	637,136
Non-cash flows in profit from ordinary activities:				
Depreciation	19,576	16,315	19,576	16,315
Loss on disposal of assets	-	850	-	850
Changes in assets and liabilities:				
Decrease in receivables	(154,076)	17,196	(169,755)	15,347
(Decrease)/Increase in payables	55,574	22,535	35,988	22,535
Increase in provisions	29,357	19,790	29,357	19,790
Net cash provided by operating activities	**482,220**	**756,151**	**498,481**	**711,973**

NOTE 13: FINANCIAL RISK MANAGEMENT

(i) Financial risk management policies

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

Financial assets				
Cash and cash equivalents	3,199,278	2,777,703	3,113,748	2,675,912
Trade and other receivables	323,802	169,726	335,997	166,242
	3,523,080	**2,947,429**	**3,449,745**	**2,842,154**
Financial liabilities				
Trade and other payables	134,471	78,897	114,885	78,897
	134,471	**78,897**	**114,885**	**78,897**

THE AUSTRALIA INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13: FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(iii) Liquidity risk
The tables below reflect an undiscounted contractual maturity analysis for financial liabilities

	CURRENT		NON-CURRENT		Total Cash Flow	
	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade & other payables	134,471	78,897	-	-	134,471	78,897
Total expected outflows	**134,471**	**78,897**	**-**	**-**	**134,471**	**78,897**
Financial assets - cash flow realisable						
Cash and cash equivalents	3,199,278	2,777,703	-	-	3,199,278	2,777,703
Trade & other receivables	323,802	169,726	-	-	323,802	169,726
Total expected inflows	**3,523,080**	**2,947,429**	**-**	**-**	**3,523,080**	**2,947,429**
Net (outflow)/inflow on financial instruments	**3,388,609**	**2,868,532**	**-**	**-**	**3,388,609**	**2,868,532**

(iv) Credit risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

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

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

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

NOTE 14: CONTINGENT LIABILITIES
The Company had no contingent liabilities as at 30 June 2018.

NOTE 15: EVENTS OCCURRING AFTER THE REPORTING DATE
The Australia Institute Limited resigned as the member of Jubilee Australia Research Centre Limited on 1 July 2018. Jubilee Australia Research Centre Limited will therefore no longer be a controlled entity of The Australia Institute Limited from this date.

NOTE 16. REGISTERED OFFICE AND COMPANY DETAILS
The registered office and principal place of business of the Company is:
Level 1 Endeavour House
1 Franklin St, Manuka, ACT 2603

The Australia Institute
Research that matters.