
**WE DON'T
DO THINGS
BECAUSE
THEY'RE EASY,**

**WE DO THEM
BECAUSE
THEY'RE HARD.**

**The Australia
Institute**

**Annual
Report 22-23**

The Australia Institute

Research that matters.

Corporate Information

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Deputy Chair: Ms Alexandra Sloan AM

Dr Elizabeth Cham

Mr Andrew Dettmer

Associate Professor Elizabeth Hill

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Contents

04	About The Australia Institute
08	Letter from the Chair
10	Letter from the Executive Director
12	Our Impact
16	Research, Media & Digital at a Glance
22	Climate & Energy Program
34	Calling Out 'Green Wall St' and the Nature Repair Market
38	Democracy & Accountability Program
46	Economics Program
54	Challenging the Consensus on Inflation
60	International & Security Affairs Program
62	Sex & Gender Equality
64	Our Digital Engagement
70	Postdoctoral Research Fellowship
72	Anne Kantor Fellowship
74	The Australia Institute Tasmania
80	The Australia Institute South Australia
84	Centre for Future Work
92	Nordic Policy Centre
96	Corporate Governance
98	Annual Financial Report 2022-23

ABOUT

THE AUSTRALIA INSTITUTE

● About the Australia Institute



The Australia Institute is the country's most influential independent think tank.

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

Our work is independently funded by donations from individuals and philanthropic trusts as well as grants and

commissioned research from business, unions and non-government organisations. We are non-partisan and do not accept donations or commissioned work from political parties.

With strong relationships across the political spectrum, the Australia Institute is in a position to maintain its independence while advancing a vision for a fairer nation.

● Our Goal

The Australia Institute provides intellectual and policy leadership. Our research and ideas drive the public debate and deliver policy outcomes that make Australia better.

We know we consistently deliver on the promise of our motto: research that matters.

**Research
that
matters.**

“

We design research to influence and persuade policymakers, politicians and to shift the public debate. We are fiercely non-partisan, but we don't shy away from engaging in politics and political debates. We believe in democracy, and our work is aimed at fostering a better, more informed democratic debate.

- **Dr Richard Denniss, Executive Director**

”

● Letter from the Chair

Dr John McKinnon

The more things change, the more they stay the same.

The past year could easily be titled “change with continuity”. Both inside the Institute and in our external political context, the year began with significant change. However, both internally and externally, it was perhaps what didn’t change that was most significant.

We began with a new Labor government. For a progressive think tank like The Australia Institute, such an occurrence presents an opportunity for our research and ideas to find more receptive ground amongst those in power. As we look back over the past year, there is certainly some evidence of this.

The National Integrity Commission, long championed by The Australia Institute as a necessary part of our democracy, has now been legislated. Climate change appears to be taken more seriously, with legislated targets and an improved safeguards mechanism.

However, it is what didn’t change that highlights the ongoing need for the Institute and the importance of its role in Australia’s public life through all political cycles. The much-vaunted National Integrity Commission that was legislated was compromised by the lack of public hearings except in “exceptional circumstances”.

Despite legislated climate targets, there are still no policies in place to ensure that Australia reaches those targets. The Safeguard Mechanism, despite being significantly improved, still allows for fossil fuel expansion. We have also seen this new government approve multiple new fossil fuel projects and even subsidise this expansion.

Despite ample evidence of growing inequality, the new government remains committed to the Stage 3 tax cuts, severely undermining our revenue base and our progressive tax system. While some progress has recently been made on housing, the year has seen significant interest rate rises, causing financial stress for households.

While not of the government’s doing, these rate rises were accompanied by the usual rhetoric of the need to dampen consumer demand.

The Australia Institute led the research showing that the inflation blamed for these rate rises actually arose from increased corporate profits, not consumer spending. Despite initially being challenged by the Treasury and Reserve Bank, the Institute’s research is consistent with research released by the OECD, European Central Bank and others. However, this has not led to any change in government policy.

The past year has confirmed that The Australia Institute is a generator and cheerleader for ideas, not political parties or ideology. Whether the issue is inequality, climate change or integrity, The Australia Institute has produced quality research and policy ideas and has criticised poor policy regardless of which political party is in government.

Our contentions, that the easiest way to reduce emissions is to stop NEW fossil fuel projects, that the way to address inequality is NOT to make it worse, and that the solution to integrity issues is to HAVE more transparency, have not changed. The more things change, the more they stay the same.

Shortly after the start of this 2022-23 year, our Executive Director Ben Oquist resigned. Ben has been a wonderful leader of the Australia Institute. As I have written in previous annual reports, under Ben’s leadership, the Institute has gone from strength to strength in both the quality and quantity of output, its effectiveness, its influence and its financial security. We at the Institute, and I suggest all Australians, owe Ben a huge debt of gratitude. We wish Ben all the best in his new career and are very pleased that he is not lost to the Institute but continues as a Board member. We very much value his support and insight in this continuing role.

How does one replace someone like Ben Oquist? The short answer is you don't! Ben has a unique set of irreplaceable skills. However, in the Chief Economist, Dr Richard Dennis, we had another unique and special person who was able to step back into a role he had left seven years before.

While the Institute is certainly a different and much larger place than it was, Richard understood better than anyone the unique challenges of running a think tank, and he took the reins with an energy and enthusiasm that exceeded all expectations.

As Chair, it is both an immense pleasure and a huge relief to be able to report that the work of the Institute has not suffered but has blossomed even further over the past year.

As mentioned above, we have led the debate on the causes of inflation, we have implemented a new Post-Doctoral Fellowship program that has significantly enhanced our research capabilities, we held a Climate Integrity Summit, highlighting the immense problems with using carbon offsets as a tool for tackling climate change, and we continued our extraordinary webinar series and Politics in the Pub, regularly attracting large audiences to engage with the major issues of the day. The more things change, the more they stay the same.

It is an absolute pleasure working with Richard, who is truly one of Australia's foremost public intellectuals. I wish to thank him for stepping up into the Executive Director role and congratulate him on the success of his first year back in charge.

But, as Richard will be the first to admit, it is a team effort, and I must thank all the staff. It is an amazing team of talented and passionate people who all believe in a better world and direct their considerable intellect and energy towards that end. Congratulations to all of them.

I also wish to thank my Board colleagues. They are all volunteers who give their time because they also believe in a better world and believe that The Australia Institute is an effective way of getting there. We all believe that research matters and ideas can change the world, and it is a pleasure to work with you all.

Similarly, to our donors – you are also people who believe the world can be better and that the research and ideas generated by The Australia Institute can make a difference.

The impact belongs to you as much as anyone else, and I thank you very much. Large and small, it all contributes. Thank you for staying with us through the changes of the past year and thank you for appreciating that The Australia Institute is needed now as much as ever.

The more things change, the more they stay the same.

Dr John McKinnon

● Letter from the Executive Director

Dr Richard Denniss

Good research doesn't just make news: it transforms conversations.

The 2022-23 financial year did not go according to plan. Ben Oquist, my good friend and former Executive Director of the Australia Institute, decided to step down.

After seven years as Chief Economist, I was proud to be reappointed as Executive Director, a role I previously held from 2008 to 2015.

It was a development as exciting as it was unexpected.

Let me first start by thanking Ben for the hard work, great strategy and personal leadership that not only delivered enormous policy impact during his time as Executive Director, but left the organisation in such a strong position for the future.

His leadership was instrumental to the creation of the National Anti-Corruption Commission, the defeat of the Coalition government's plans to cut the company tax rate, which will save \$65 billion dollars over the next decade, and the abolition of the SA Electric Vehicle Tax, among so many other incredible achievements.

These improvements to Australia will not only deliver benefits over decades to come, but have also strengthened the role that the Australia Institute plays in the public policy debate. They demonstrate that the Australia Institute is now clearly the country's leading progressive think tank and one of the most influential voices in the national conversation.

This year, we have built on the hard work of the past, delivering a significant impact in the present.

Our research on the extent of 'dodgy' carbon credits reshaped the Australian climate policy debate and improved the Albanese government's Safeguard Mechanism legislation.

In addition to leading the exposure of greenwashing, our Climate & Energy team have helped amplify Pacific voices calling for an end to fossil fuel expansion in Australia, highlighted the impacts of gas expansion in the Northern Territory and exposed the \$57.1 billion of taxpayers' money set to be spent on fossil fuel subsidies over the federal budget's forward estimates.

Strong economic analysis has always been at the heart of the Australia Institute's research. This year the strength of our analysis was tested like never before, and I'm proud to say it passed with flying colours.

In July 2022 we first published research showing that rising profits, not rising wages, were driving inflation in Australia.

Our research attracted some coverage but little controversy at the time. However, as the RBA kept increasing interest rates and real wages continued to fall, the economic and political consequences of our work became central to one of the biggest economic debates in the world; what was causing inflation and were higher interest rates the best way to stop it?

At one point the RBA and Treasury were dismissing our work while the Australian Financial Review was demanding we retract it. Soon after that cacophony, the OECD released research using a similar methodology to our own and finding similar results for Australia. Within months, the global economic debate was awash with other research that came to the same conclusions.

While debunking bad economic ideas is an important role for the Australia Institute, so too is promoting new ones. This year we have led the charge to introduce a windfall profits tax and restructure the Stage 3 tax cuts to make them more equitable and better suited to the economic circumstances Australia finds itself in.

In the pages that follow, you will see not just how much research we have published but how hard and creatively the whole team work to present our research in engaging ways, with great timing, and to diverse audiences.

No researcher or donor wants to see research 'gather dust on a shelf', which is why we work so hard to develop and distribute our work in ways that don't just contribute to the debate but shape it.

It was Australia Institute research back in 1994 that first found that Australia was at the time the largest per capita emitter of greenhouse gasses in the world. Likewise, it was our research that first estimated the enormous cost of fossil fuel subsidies in Australia (now \$11 billion per year) and that Australia is the third biggest exporter of fossil fuels in the world.

Good research doesn't just make news: it transforms conversations.

Thank you to all of our supporters who make our work possible. Thanks to you, Australia has a federal corruption watchdog, has more robust climate policies and may one day even stop building new gas and coal mines. Thanks to you, MPs, Senators, unions, NGOs and individuals have got good evidence and good ideas to help counter the flood of econobabble and climate denial that still takes up so much airtime in Australia.

I'm proud to be back leading what I think is the best think tank in the country, and I'm excited about what our team, combined with your support, will be able to deliver throughout the coming year.

Dr Richard Denniss



● Our Impact

This year, the Australia Institute's research led the national policy debate, survived the toughest scrutiny, and helped create new laws and institutions that contribute to making Australia a better country.

After years of research and advocacy, the Bill to establish a National Anti-Corruption Commission passed the parliament, and the Commission began operations on 1 July 2023.

Our work exposing the link between corporate profits and inflation saw our researchers go head-to-head with the Reserve Bank, Treasury, pro-business economists and the financial press before the OECD and other international bodies released research consistent with our findings.

And of course, our work on climate had a big impact on policy this year. In February, our Climate Integrity Summit brought together years of our research, and dozens of the country's experts, to highlight fundamental problems with the use of carbon offsets in Australia. This work, combined with our research on Australia's fossil fuel expansion, led to significant changes to the government's climate legislation, the so-called Safeguard Mechanism.

Our submission on the federal government's Nature Repair Market Bill, which focused on a report supporting the Bill by controversial consultants PwC, also had a big impact. Our critique of PwC's work was so forensic that a parliamentary committee sent it to PwC for a response. In the words of Guardian Australia, PwC was forced to "walk back" its claim that the government's proposal would bring significant finance for biodiversity conservation and the government was forced to temporarily shelve the bill, largely due to our intervention.

Parliamentary committees are increasingly sending submissions critical of third parties to those parties for a response. This occurred with our submissions to federal and NSW inquiries into the use of consultants and to a federal inquiry into carbon capture and storage enabling legislation.

Despite, or perhaps because of, this extra scrutiny, all these submissions have been highly influential.

In a reminder of the enduring value of our research program, hundreds of submissions to Victoria's parliamentary inquiry into native bird hunting arrangements cited our 2012 report *Out for a duck: The economics of duck hunting in Victoria*.

That research, along with our 2023 submission critical of the Victorian game regulator's commissioned economic reports debunked the economic case for duck hunting. Together, this work contributed to the inquiry's recommendation for an end to duck shooting in Victoria.

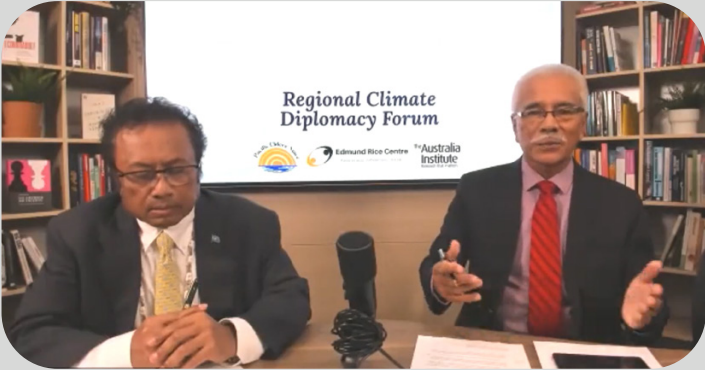
Since 1994 the Australia Institute has been conducting high quality research and putting good ideas into public debate.


Thanks to the ongoing support of our donors that 'back-catalogue' of work is often used to influence decisions being made years, and sometimes decades, after we first looked at the issue.

A real test of the integrity of research is when it is part of legal proceedings. As we have done for over a decade, this year we provided expert evidence in a number of legal cases including the successful legal appeal against the Waratah Coal Mine in the Galilee Basin.

The judgement positively cited our research, which demonstrated the poor economic case for the new mine. Despite this ruling, however, more than 100 fossil fuel projects remain in the pipeline for federal approval.

While not every decision of governments, committees and courts went the Institute's way in 2022-23, the research that we put into these debates and processes has withstood vigorous examination and contributed to better outcomes for Australians and the strength of our democracy.





THE AUSTRALIA INSTITUTE
WEBINAR SERIES

Edmund Rice Centre
Awareness. Advocacy. Action

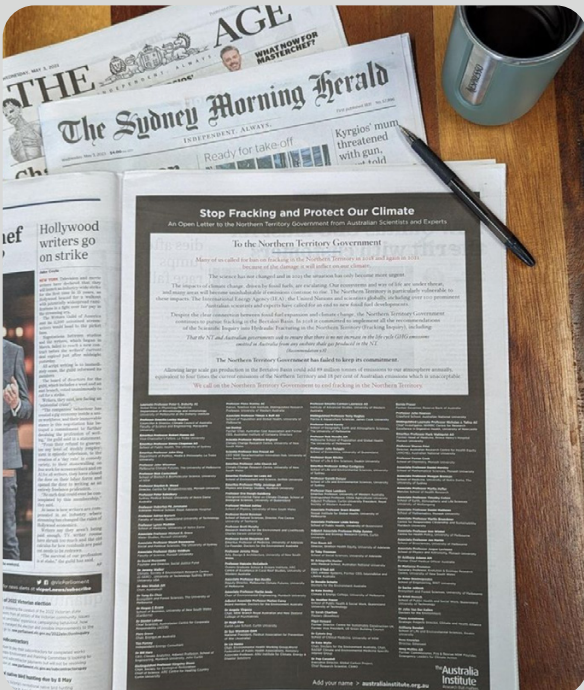
The Australia Institute
Research that matters.

Climate Change & the Pacific Regional Climate Diplomacy Forum 2023

HON. RALPH REGENVANU
MINISTER OF CLIMATE CHANGE ADAPTATION, METEOROLOGY AND GEO-HAZARDS, ENERGY, ENVIRONMENT AND DISASTER RISK-MANAGEMENT FOR THE REPUBLIC OF VANUATU.

&

HON. SEVE PAENIU
MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT OF TUVALU.





RESEARCH, MEDIA

& DIGITAL AT A GLANCE

● Research

Research Pieces:



258

Research Reports:

86



Submissions to Government
Inquiries & Project Assessments:

72



● Media

Press Clip Mentions:

7,263

Syndicated to 26,893 different bands,
frequencies and websites

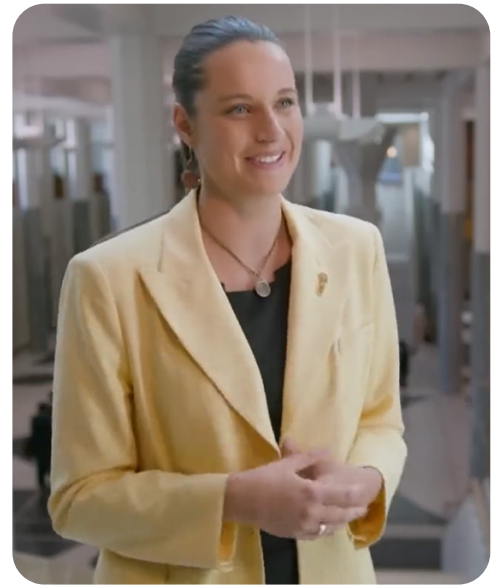
26,893

Total Cumulative Audience:

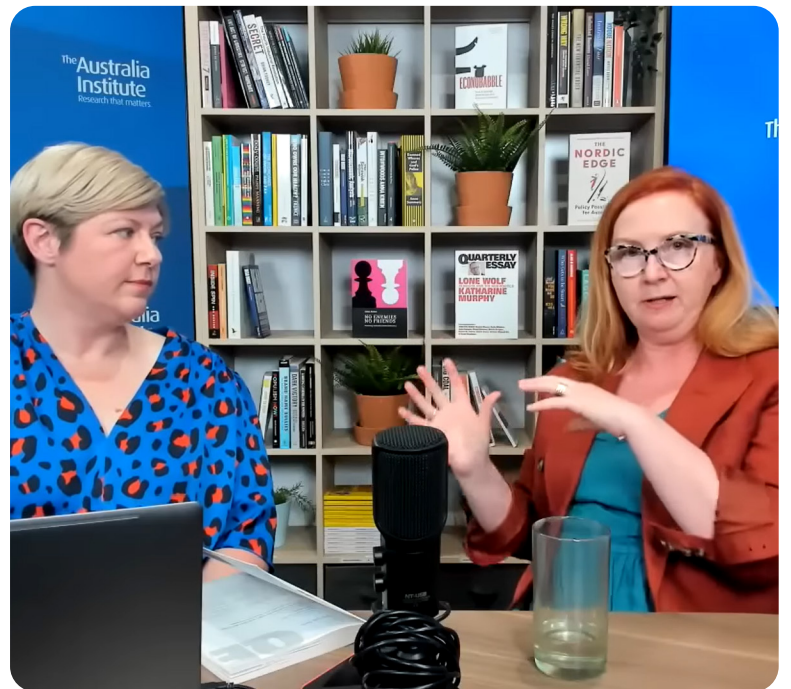
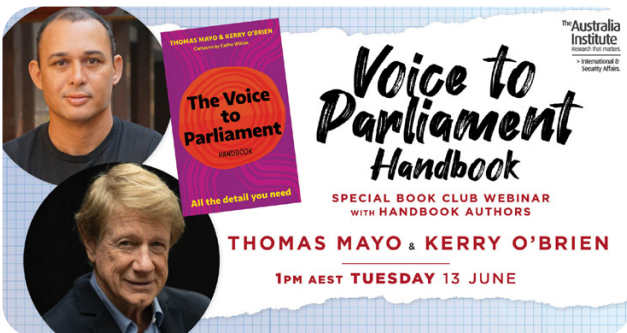
247,817,332



The combined audience across all media items.



Research, Media



& Digital

● ASR Value (Advertising Space Rate)



\$305,950,068

● Social Media

Followers as of 30 June 2023:

Facebook:

59,726

Twitter:

47,150

Instagram:

15,214

Youtube:

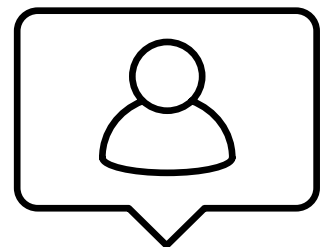
9,927

TikTok:

19,977

LinkedIn:

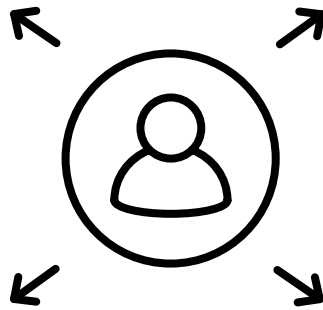
3,875



Total:

155,869

Total Reach Across All Platforms

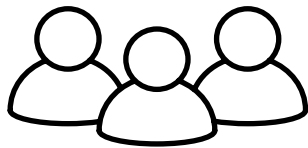


23,968,048

The combined reach of our content across all social media platforms.

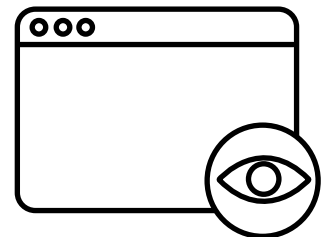
● Website

Users:



407,302

Pageviews:



846,766

CLIMATE &

ENERGY PROGRAM

● Climate & Energy Program

The last year has seen the world enter what the United Nations Secretary-General calls the era of “global boiling”. Catastrophic flooding and wildfires across the globe have characterised 2023. It saw the hottest ever June on record, with unprecedented sea surface temperatures and a record low Antarctic Sea ice extent.

These events make the work of our Climate & Energy Program more critical than ever.

This is especially true in the context of the Australian Government’s ongoing commitment to subsidised fossil fuel expansion and its apparent willingness to let the gas and coal industry set the standard for our climate policies.

Despite the 2022 climate election, there are still over 100 new gas and coal projects described as “under development” in Australia and over \$11 billion per year is spent on fossil fuel subsidies.

Over the last 12 months, Australia Institute research has continued to expose the absence of economic and scientific logic behind Australia’s climate policies. We have also highlighted the concerning level of industry influence on Australia’s climate agencies and provided a policy antidote to Australia’s agenda of state-sponsored greenwash through a vision for climate integrity.

Importantly, our work on transparency and integrity in government and our work on climate policy are not separate streams of research, but related threads which strengthen each other.

Australia’s climate policies should serve the environment and the people, not the fossil fuel industry and achieving integrity in our democracy is an essential step towards achieving integrity in our climate policy.

Based on the calls of the world’s climate scientists, our work will continue to focus on the need for no new gas and coal projects, the inappropriate influence of the fossil fuel industry in our democracy, debunking the dodgy economics of the proposed markets to repair nature and reduce emissions and reinforce the voices calling for a ‘Fossil fuel-free Pacific’ region.

● A Leader on Climate Integrity



Over the past year, the Australia Institute has been at the forefront of efforts to make climate integrity central to the nation's climate policymaking and debate.

Polly Hemming, Director of the Climate & Energy program, published a widely cited and agenda-setting article in *The Saturday Paper* on 'State Sponsored Greenwash' and presented a related paper to the Fossil Fuel Supply and Climate Policy Conference in Oxford, UK.

Our work has established the explicit connection between carbon credits and fossil fuel expansion in the international arena.

Our Climate Integrity Summit 2023 at Australian Parliament House attracted a diverse range of experts and decision makers from academia, the public service, NGOs, industry, parliament and the media, with key discussions around the ethics and risks associated with fraudulent net-zero claims, the potential pitfalls of an overreliance on carbon offsets, and the concerning direction of policies that disproportionately favour the fossil fuel industry rather than the climate.

Our resolve to challenge misleading practices also saw us file a complaint with the ACCC, alleging that the Australian



Government's 'Climate Active' certification scheme may be misleading and deceptive under consumer law. We were not alone in this endeavour; former ACCC Chair Allan Fels supported our intervention.

This bold step, anchored by our greenwashing research, dovetailed with the subsequent exposure by the Four Corners' 'Carbon Colonialism' program, in which we featured prominently. A Senate inquiry into the issue is now underway.

We also took decisive action in the wake of unsettling revelations about PwC's improper use of confidential government information. Australia Institute research reveals the extensive overlap between industry and government in Australia and the risk this puts to independent policymaking.

Our outreach to Minister Chris Bowen expressed significant concerns over appointments to the Climate Change Authority (CCA) and underscored legal ambiguities arising from potential conflicts of interest among CCA board members. These actions contributed to the matter being raised in Senate estimates and the Department subsequently confirming its intention to seek legal advice around the issue, advice they are yet to publish.



Climate Integrity



Summit 2023

● Safeguard Mechanism

The Australia Institute spearheaded research and advocacy that was critical to improving and passing the federal government’s Safeguard Mechanism.

Our research was instrumental to the then Labor Opposition’s announcement that it would hold a review of carbon credits. This review ultimately revealed industry and government greenwashing through carbon credits for fossil fuel projects, calling into question the integrity of Labor government’s net zero target.

By shaping the Safeguard Mechanism debate and working collaboratively with a wide range of members of parliament, our research drove significant reforms to the proposed legislation, while simultaneously informing the public discussion about magnitude of Australia’s planned fossil fuel expansion.

While it needs to go further if it is to be consistent with limiting dangerous climate change to 1.5°C, the resulting legislation is stronger than initially proposed and will place constraints on fossil fuel expansion. Critically, the passing of the Safeguard Mechanism will put the onus on the Australian Government to show how its key policy will credibly reduce emissions.

Our research has also highlighted the problem that as policy has driven major investment into carbon credit projects that often lack integrity, investment in new

renewable energy generation in Australia has declined by 50% compared to 2018, while the volume of carbon offsets projects registered in 2022 was roughly double the numbers in 2020 and 2021.

The purpose of policy is to shift the pattern of investment and, unfortunately for those who want to see a transition away from fossil fuel production and use, our research shows that carbon offsets are increasingly used as a substitute for the actual decarbonisation of the economy, not a step towards it.



The Saturday Paper

Richard Denniss What the safeguard means for the climate wars



The fossil fuel industry’s war against our climate isn’t cheap, but it is profitable, which is why these industries have no intention of stopping their expansion.

Only our parliaments can protect us from the fossil fuel industry. The market cannot save us from the market failure of climate change, and while private investment in renewables, batteries and energy efficiency is necessary, these measures are not sufficient. The science says we need to stop building new fossil fuel infrastructure, stop destroying what’s left of our forests and start investing heavily in low-carbon technologies.

Trying to avoid climate change without stopping fossil fuel expansion is like baking a cake with no oven or even a cake tin.

Excerpt from piece published in the Saturday Paper, 1 April 2023.



THE SATURDAY PAPER, 1 APRIL 2023



● A Fossil Fuel Free Pacific

The Australia Institute's research into the size and implications of Australia's fossil fuel expansion has helped us foster strong partnerships across the Pacific, working alongside communities and leaders to amplify and elevate their voices and their own research.

Pacific Island nations remain on the front line of the climate crisis and are too often overlooked in geopolitical discussions outside of defence and security contexts.

Australia's role and conduct in the Pacific was the central discussion in our Regional Climate Diplomacy Forum, in which we were joined by Tuvalu Minister of Finance and Economic Development, Hon. Seve Paeniu, and Vanuatu Minister of Climate Change Adaptation, Meteorology and Geo-hazards, Energy, Environment and Disaster Risk-management, Hon. Ralph Regenvanu, in partnership with the Edmund Rice Centre.

The reality remains that Australia, the world's third-largest fossil fuel exporter, continues to ignore the explicit requests from Pacific Island nations to commit to no new fossil fuel projects, despite ongoing government claims that we stand 'shoulder to shoulder' with the region.

Against this backdrop, the Australian Government has proposed that Australia host the 2026 UN Climate Conference (COP31), in "partnership" with Pacific nations. Our research warns that Australia's bid to host COP31 will be little more than a greenwashing exercise while it continues to subsidise and approve fossil fuel expansion. Nor can Australia be considered a credible co-host if it ignores the requests of its prospective Pacific partners.

● Fossil Fuel Subsidies



Just prior to the Federal Budget in May 2023, we released new research showing fossil fuel subsidies over the forward estimates have increased to a record-breaking \$57.1b, up from the \$55.3b forecast in 2022, despite 2022 being the 'climate election'.

Amid a cost-of-living crisis, while several communities are still reeling from climate change impacts like floods and fires, state and federal governments are planning to spend more on exacerbating climate change through these subsidies than they are on getting ready for climate disasters.

Our annual report on fossil fuel subsidies from our Climate & Energy team has become benchmark research, receiving widespread coverage in the media and widely cited by the climate movement more broadly.

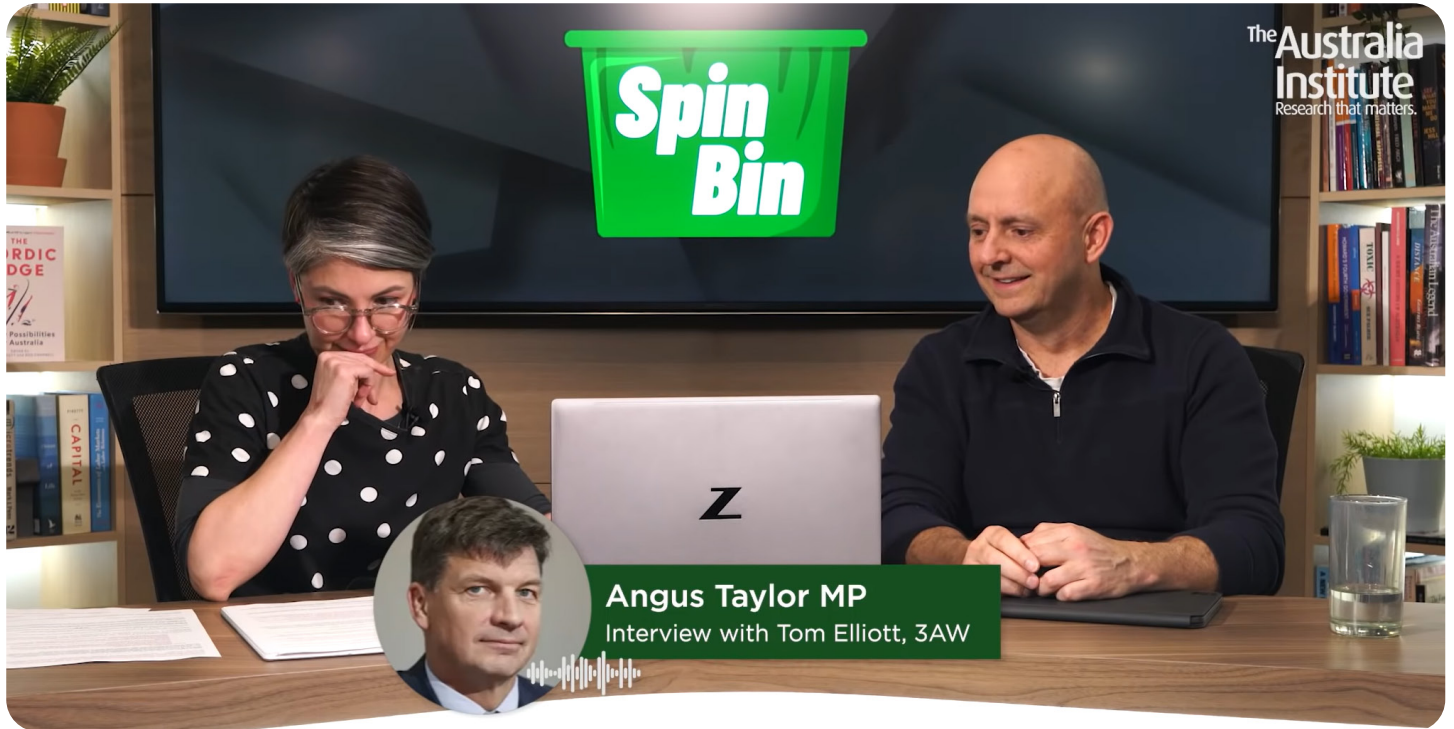


SUBSIDIES INCREASED



TO \$57.1B

● Gas And Coal Subsidy Scheme Scrapped



The federal government finally ended the Underwriting New Generation Investment (UNGI) program in the October 2022 Budget, four years after the Coalition government established it in late 2018.

UNGI, created by former Minister Angus Taylor, had intended to provide funding to several new gas power stations and one existing coal power station without justification for why they were shortlisted or required government funding. UNGI also tried to bastardise the Clean Energy Finance Corporation to fund gas and coal projects.

The withdrawal of the UNGI program put \$63.0 million back on the Budget bottom line and stopped a new way to publicly fund new gas and coal power stations. It came after long-term research and advocacy from the Institute, including commissioning legal advice that showed the lack of constitutional basis for UNGI, sustained engagement with the crossbench, and providing advice to Independent MP Zali Steggall for her request to the ANAO to audit UNGI.

● Coal Mine Tracker

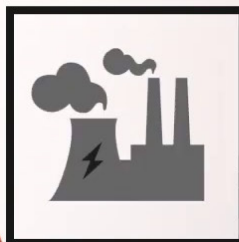
Our Coal Mine Tracker is a new initiative to monitor the progress and lifetime emissions of the 25 new or expanded coal mines currently awaiting federal government approval.

It is a powerful advocacy and communications tool to utilise each time a proposal reaches a new stage of approval, applying pressure on the federal government, increasing public awareness and building engagement through our petition to the Environment Minister.



28 COAL PROPOSALS' EMISSIONS

=



AUSTRALIA'S FLEET OF COAL-FIRED POWER STATIONS RUNNING FOR:

26 YEARS

2023

2033

2043

2053

● No New Fossil Fuel Projects

The world's climate scientists agree there can be no new fossil fuel projects if we are to limit global warming to 1.5°C.

We coordinated and published an open letter signed by over 100 scientists and experts, calling on the federal government to prevent new fossil fuel projects in Australia. This was supported by a resounding coalition of 50 of the nation's leading climate and environmental organisations.



There can be no new fossil fuel projects if we are to limit global warming to 1.5°C.

● Fracking In The NT



On the day that the NT's Chief Minister Natasha Fyles and Deputy Nicole Manison approved fracking in the Territory, we published an open letter in the Sydney Morning Herald, The Age and the NT News, endorsed by nearly 100 experts, warning of its irreversible harm and potential 1.4 billion tonnes of emissions.

The NT Government was forced to respond to our open letter on live TV. In response to a press enquiry, the Deputy Chief Minister replied, "I would ask those people... to perhaps be a bit more practical and level-headed" - triggering an online backlash from scientists. We continue to provide research to support the wide range of small community organisations working in the NT to draw attention to the dangers of this project.

Stop Fracking and Protect Our Climate

An Open Letter to the Northern Territory Government from Australian Scientists and Experts

To the Northern Territory Government

Many of us called for ban on fracking in the Northern Territory in 2018 and again in 2021 because of the damage it will inflict on our climate.

The science has not changed and in 2023 the situation has only become more urgent.

The impacts of climate change, driven by fossil fuels, are escalating. Our ecosystems and way of life are under threat, and many areas will become uninhabitable if emissions continue to rise. The Northern Territory is particularly vulnerable to these impacts. The International Energy Agency (IEA), the United Nations and scientists globally, including over 100 prominent Australian scientists and experts have called for an end to new fossil fuel developments.

Despite the clear connection between fossil fuel expansion and climate change, the Northern Territory Government continues to pursue fracking in the Beetaloo Basin. In 2018 it committed to implement all the recommendations of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (Fracking Inquiry), including:

That the NT and Australian governments seek to ensure that there is no net increase in the life cycle GHG emissions emitted in Australia from any onshore shale gas produced in the NT.

[Recommendation 9.8]

The Northern Territory Government has failed to keep its commitment.

Allowing large scale gas production in the Beetaloo Basin could add 89 million tonnes of emissions to our atmosphere annually, equivalent to four times the current emissions of the Northern Territory and 18 per cent of Australian emissions which is unacceptable.

We call on the Northern Territory Government to end fracking in the Northern Territory.

Laureate Professor Peter C. Doherty AC
Nobel Prize in Physiology/Medicine
Department of Microbiology and Immunology
University of Melbourne at the Doherty Institute

Professor Emerita Lesley Hughes
Councillor & Director, Climate Council of Australia
Faculty of Science and Engineering, Macquarie University

Emeritus Professor Robert Manne AO
Vice-Chancellor's Fellow, La Trobe University

Emeritus Professor Simon Chapman AO
School of Public Health, The University of Sydney

Emeritus Professor John King
Department of Politics, Media & Philosophy, La Trobe University

Professor John Wiseman
Melbourne Climate Futures, The University of Melbourne

Professor Rick Cavicchioli
School of Biotech & Biomolecular Science, University of NSW

Professor Bayden R. Wood
Director, Centre for Biospectroscopy, Monash University

Professor Peter Sainsbury
Sydney Medical School, University of Notre Dame Australia

Professor Hubertus PA Jersmann
Adelaide Medical School, Royal Adelaide Hospital

Professor Adrian Barnett
Faculty of Health, Queensland University of Technology

Professor Lynne Madden
School of Medicine, University of Notre Dame

Associate Professor Michael R. Grace
Water Studies, Monash University

Associate Professor Stuart Rosewarne
Social and Political Sciences, The University of Sydney

Associate Professor Djuke Veldhuis
Faculty of Science, Monash University

Dr David Morawetz
Founder and Director, Social Justice Fund

Dr Jeremy Walker
Climate, Society & Environment Research Centre (C-SERC), University of Technology Sydney, Brown University USA

Dr Alex Wodak AM
Chair, Australia21

Dr Yung En Chee
Ecosystem and Forest Sciences, The University of Melbourne

Dr Megan C Evans
School of Business, University of New South Wales (Canberra)

Dr Dimitri Lafleur
Chief Scientist, Australasian Centre for Corporate Responsibility (ACCR)

Piers Grove
Chair, EnergyLab Australia

Tim Forcay
Independent Energy Consultant

Dr Bill Hare
CEO, Climate Analytics, Adjunct Professor, School of Engineering, Murdoch University, John Curtin

Distinguished Professor Kingsley Dixon
Chair, Society for Ecological Restoration
Chief of Science, ARC Centre for Healing Country
Curtin University

Professor Fiona Stanley AC
Patron, Telethon Kids Institute, Distinguished Research Professor, University of Western Australia

Associate Professor Tilman A Ruff AO
School of Population and Global Health, University of Melbourne

Ian Dunlop
Former Chair, Australian Coal Association and Former CEO, Australian Institute of Company Directors

Scientia Professor Matthew England
Climate Change Research Centre, University of New South Wales

Scientia Professor Deo Prasad AO
CEO NSW Decarbonisation Innovation Hub, University of New South Wales

Emeritus Professor John Church AO
Climate Change Research Centre, University of New South Wales

Emeritus Professor Ian Lowe AO
School of Environment and Science, Griffith University

Emeritus Professor Philip Jennings AM
Physics and Energy Studies, Murdoch University

Professor Ove Hoegh-Guldberg
Intergovernmental Panel on Climate Change, School of Biological Sciences, University of Queensland

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Research Institute for the Environment and Livelihoods
Charles Darwin University

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Co-Founder, Doctors for the Environment Australia

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Arts, Design & Architecture, University of New South Wales

Professor Malcolm McCulloch
Oceans Graduate School & Oceans Institute, ARC Centre of Excellence in Coral Reef Studies, University of Western Australia

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Deputy Director, Melbourne Climate Futures, University of Melbourne

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Adjunct Associate Professor Marion Carey
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Chair, NSW Branch Royal Australian and New Zealand College of Psychiatrists

Dr Hugh Finn
Curtin Law School, Curtin University

Dr Sue Wareham OAM
National President, Medical Association for Prevention of War (Australia)

Dr Liz Hanna
Chair, Environmental Health Working Group, World Federation of Public Health Associations, Honorary Associate Professor, ANU Institute for Climate, Energy & Disaster Solutions

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Institute of Advanced Studies, University of Western Australia

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Marine & Aquaculture Sciences, James Cook University

Professor David Karoly
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The University of Melbourne

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School of Economics, University of Queensland

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School of Life & Env Sciences, Deakin University

Emeritus Professor Arthur Conigrave
School of Life and Environmental Sciences, University of Sydney

Professor Gareth Denyer
School of Life and Environmental Sciences, University of Sydney

Professor Hans Lambers
Emeritus Professor, University of Western Australia
Distinguished Professor, China Agricultural University
Adjunct Professor, Curtin University President, Royal Society of Western Australia

Associate Professor Grant Blashki
Nossal Institute for Global Health, University of Melbourne

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School of Public Health, University of Queensland

Associate Professor Karen Edyvane
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Dr Toby Freeman
School of Social Sciences, University of Adelaide

Dr Armagretta Hunter
ANU Medical School, Australian National University

Dawn O'Neill AM
CEO, eWater Systems, Former CEO, beyondblue and Lifeline Australia

Dr Rosalie Schultz
Doctors for the Environment Australia

Dr Kate Dooley
Climate & Energy College, University of Melbourne

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School of Public Health & Social Work, Queensland University of Technology

Dr Sarah Charlton
Masters (Bioethics)

Nigel Howard
Former Director, Centre for Sustainable Construction UK, Former Vice President, US Green Building Council

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School of Clinical Medicine, University of NSW

Dr Kate Wylie
Chair, Doctors for the Environment Australia, Chair, RACGP Climate and Environmental Medicine Specific Interest Group

Bernie Fraser
Former Governor, Reserve Bank of Australia

Professor John Hewson
Crawford School, Australian National University

Distinguished Laureate Professor Nicholas J. Talley AC
Chief Investigator, NHMRC Centre for Research Excellence in Digestive Health, University of Newcastle

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Centre for Health Policy, University of Melbourne

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School of Biosciences, University of Melbourne

Associate Professor Jesper Levinson
School of Physics and Astronomy, Monash University

Dr Anthony Adams AM
Former Chief Medical Officer Australia

Dr Marianne Frommer
Honorary Professor, Evolution & Ecology Research Centre, University of New South Wales

Dr Peter Stasinopoulos
School of Engineering, RMIT University

Dr Sacha Jellinek
Ecosystem and Forest Sciences, University of Melbourne

Dr Kristi Heesch
School of Public Health and Social Work, Queensland University of Technology

Dr John Van Der Kallen
Doctors for the Environment

Fiona Armstrong
Strategic Projects Director, Climate and Health Alliance

Anthony Rendall
School of Life and Environmental Sciences, Deakin University

Ross Knowles
Director, Ethinvest

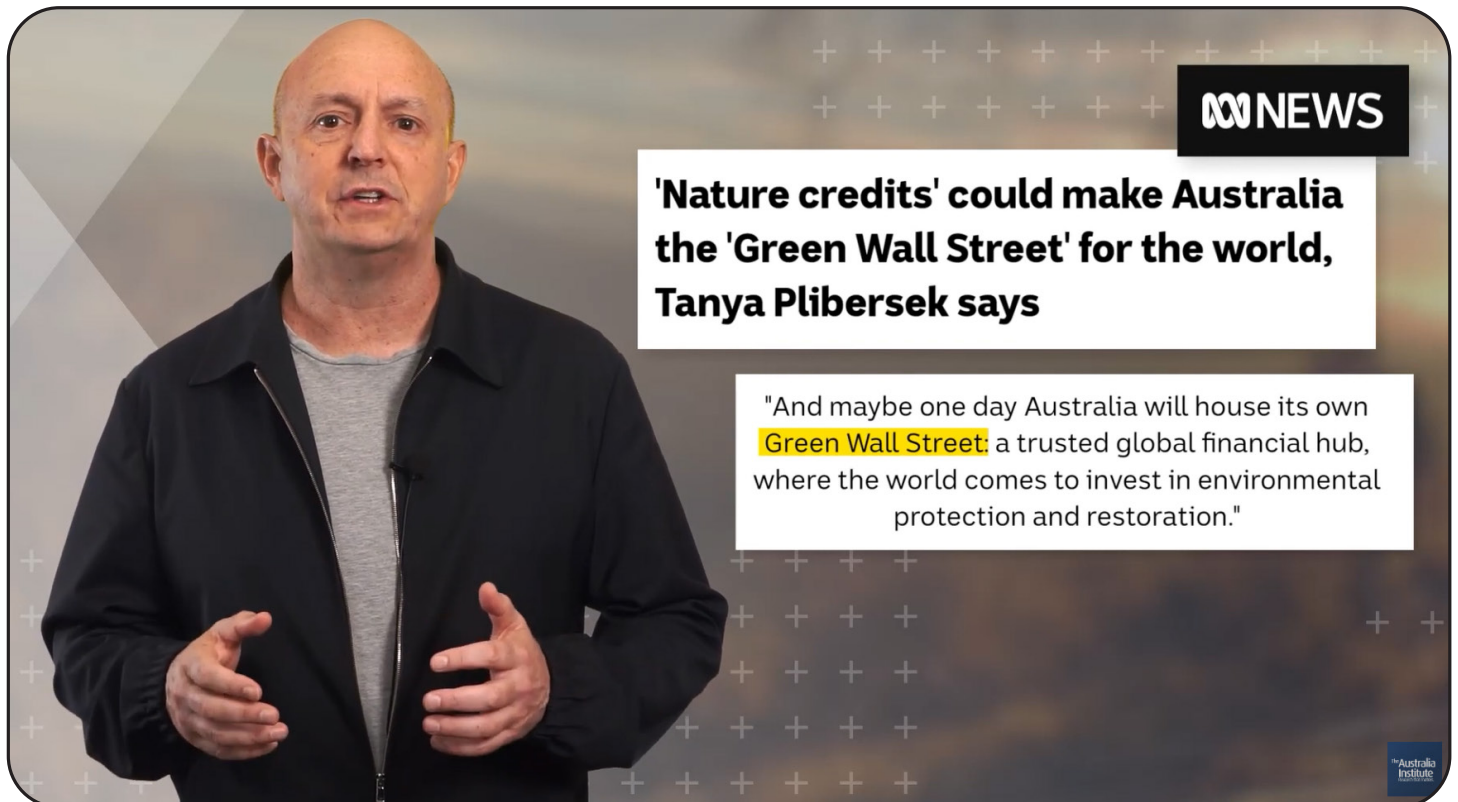
Greg Mullins AO
Former Commissioner, Fire & Rescue NSW Founder, Emergency Leaders for Climate Action

The Australia Institute
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In September 2022 the Environment Minister speculated that "one day Australia will house its own Green Wall Street: a trusted global financial hub, where the world comes to invest in environmental protection and restoration."

The quote attracted plenty of media attention, especially once the details of the government's plans emerged, centred around a proposed Nature Repair Market (NRM). The NRM would trade "nature credits" that would be generated by 'biodiversity-enhancing projects'.



Calling Out

'Green Wall Street'

● Background

Environmental markets are difficult at best and destructive at worst. Australia's carbon credit market is widely seen as a 'fraud'. Similarly, water trading and commoditisation in the Murray Darling Basin is perennially mired in controversy, while fish kills and other environmental catastrophes continue. In short, neoliberal principles of market design and the complicated reality of protecting the environment have, over time and across countries, proven to be a dangerous and ineffective combination.

Indeed, Australia already has biodiversity markets at a state level, and these schemes are also controversial and ineffective. In Victoria, the state Auditor-General concluded in 2022 that the state's scheme had "not achiev[ed] its objective of no net biodiversity loss from native vegetation clearing on private land", and panned the state's maintenance of its credit register. New South Wales' biodiversity market scheme is even more dysfunctional: in 2022, an extensive inquiry into the scheme found "multiple problems ... including serious flaws in [the scheme's] design and operation that raise fundamental questions about whether it can achieve the stated goal of 'no net loss' of biodiversity."

The Saturday Paper

Koala bear market

Polly Hemming
is a senior researcher in The Australia Institute's climate and energy program.



The Australian government is working on legislation for a biodiversity trading scheme at a national level. Branded as a "nature repair market", the details beyond the name are vague...But the lack of detail has not deterred Minister for the Environment and Water Tanya Plibersek from enthusiastically promoting the scheme as a prospective "Green Wall Street: A trusted global financial hub, where the world comes to invest in environmental protection and restoration".

Market-based measures have demonstrably failed to solve problems in our public services, from health care to utilities. So why does the government think that putting a price on critically endangered wildlife habitats can help save them?

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

THE SATURDAY PAPER, 10 DEC 2022



● Our Research

The Australia Institute has a long history of research on the problems with environmental markets. We made an initial submission to the consultation process on the Commonwealth's NRM proposal in September 2022 and another in December 2022. But it was our March 2023 submission on the draft Nature Repair Market Bill that had the clearest impact.

Much of the government's justification for its planned Nature Repair Market was based on a report prepared by consultants PricewaterhouseCoopers (PwC) in 2022. This report—prepared, apparently, at the firm's own initiative—promised that “a biodiversity market could unlock \$137 billion in financial flows to advance Australian biodiversity outcomes by 2050.” Minister Plibersek quoted this figure on several occasions, including on the introduction of the Nature Repair Market Bill into parliament in March 2023. Many government MPs used the \$137 billion figure, and it was widely reported in the media.

The Institute's submission was a forensic analysis of the PwC report and its conclusions. On close inspection, it became apparent that the only thing remarkable about PwC's claims were their audacity. We reported that the PwC report had significant flaws:

-
- + The headline \$137 billion figure did not refer to the potential benefits of the NRM, but to a range of activities, most of which have little or no link to the NRM or nature markets generally; and
 - + The \$137 billion figure was expressed in 2050 dollars; if converted back to 2023 dollars, the figure shrinks to \$70 billion, and only 25% of this sum actually relates to the sort of tradeable market activity envisaged for the NRM.
 - + The report does not actually model the economic benefits of the NRM, nor environmental markets in general; and
 - + The report contains no explanation of methodology for the modelling to which it does refer.
-

● The Response To Our Research

Our analysis exposed such profound problems with the PwC report that the Senate Standing Committee on Environment and Communications sent it to PwC for a response. The firm made no argument with our analysis, and agreed that:



“The report did not attempt to outline the impacts specific to the Nature Repair Market, as it was developed both independently of the Australian Government and at a time when the Nature Repair Market Bill 2023 was yet to be made public. Nor does the report attempt to measure the net economic benefits, economy-wide impacts or environmental benefits of the Nature Repair Market policy.”



PwC’s response to our research was the subject of multiple media reports, most of which took the line that the firm had “walked back” its claims. The Nature Repair Market Bill passed the House of Representatives in June 2023, but it has since stalled in the Senate.

In late June 2023, our Executive Director, Dr Richard Denniss, appeared at the Standing Committee’s inquiry into the NRM bill, and pointed out further flaws in the NRM plan, including the fact that projects that are currently used to generate carbon credits could simultaneously generate NRM credits, effectively double-dipping into both markets. He also pointed out that even the PwC report concedes that “the benefits ... that come from the creation of this kind of market will be smaller than the benefits that flow from people just literally donating money to environmental charities.”

The government was forced to temporarily withdraw the legislation due to the serious flaws exposed, but intends to proceed with the Bill, despite being unable to provide any economic or environmental justification for the policy.



DEMOCRACY &

**ACCOUNTABILITY
PROGRAM**

● Democracy & Accountability Program

There is a crisis of confidence in government. This year, three governance scandals came to a head: PwC's misuse of confidential government information to help multinationals minimise tax, the unlawful Robodebt scheme billing people for debts they did not owe and Scott Morrison's secret appointment to several ministries.

What unites these three apparently disparate scandals is that each involves contempt for the public, privileged access for some and a culture of secrecy for others, and a lack of dutifulness and propriety among those trusted with power.

It is these falling standards that the Australia Institute's Democracy & Accountability Program aims to identify and address.

A change of government presents opportunities, and in its first year, the Albanese government and the 47th Parliament have implemented the National Anti-Corruption Commission, advertised openly for positions, agreed to replace the politically compromised Administrative Appeals Tribunal and restored territory rights on the question of voluntary assisted dying.

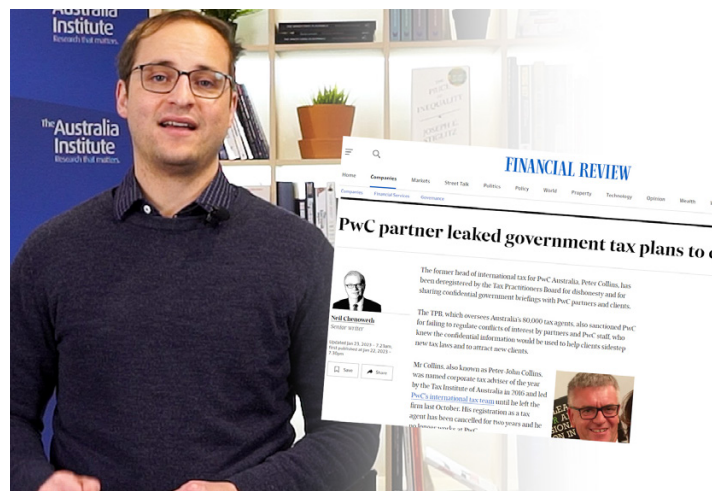
On the other hand, real concerns about transparency linger. The freedom of information system continues to deny Australians information to which they are entitled; the prosecution of whistleblowers continues; and our accountability organisations remain starved of the funds they need to do their work.

The flip side of the Albanese government's willingness to entertain electoral reforms is the need to ensure that these reforms are effective, fair and reasonable. The Australia Institute has long been a voice of caution on the unintended consequences of electoral reform, whether it is abolishing Group Voting Tickets in the Senate or imposing donations and spending caps.

While there is much to like in the Albanese government's reform agenda, including the hope that Australia will have truth in political advertising laws at long last, each of these changes has potential unintended consequences. There is mounting evidence from the states that ill-conceived donation and spending caps have been a Trojan horse for more funding for incumbents and more hurdles for new entrants.

Nonetheless, there is reason to be optimistic. New research finds that over a third of the 40-plus recommendations made in the Australia Institute's Democracy Agenda have been implemented or progressed.

New research finds that over a third of the 40-plus recommendations made in the Australia Institute's Democracy Agenda have been implemented or progressed.



National Anti-Corruption Commission

After nearly a decade of research, advocacy and coalition building by the Australia Institute the National Anti-Corruption Commission was legislated in November 2022 and began operation in July 2023, under the new Labor government.

In a perfect example of what a think tank can do, our research and advocacy slowly but surely turned the idea from a 'fringe' issue to an inevitability backed by all sides of parliament.

While we have long advocated for a federal corruption watchdog, January 2017 was a key moment when 49 renowned Australians signed our open letter to the Prime Minister, advocating for a such a body.

By October of that year, a group of former judges had established the National Integrity Committee, auspiced by the Australia Institute.

Since then, this Committee has met regularly and consistently made the case for a national integrity commission, through research, public education, and expert commentary.

Another key event occurred in January 2018 when the Labor opposition pledged to legislate such a commission. The Coalition government made the same commitment in December 2018. However, its refusal to enact this during that term of government ultimately turned integrity into a major election issue in 2022. The result was the election of a parliament with a clear majority in favour of a robust anti-corruption commission.

Finally, in October 2022, the new Labor government introduced legislation for the National Anti-Corruption Commission.

Our work with the National Integrity Committee of former judges and our consistent engagement with Labor and the crossbench set the benchmark that became the blueprint for the NACC, which passed the parliament unopposed.

This will undoubtedly strengthen Australia's democracy, despite the flawed decision that the NACC can only hold public hearings in 'exceptional circumstances'.

It is one of the Institute's proudest achievements and will inevitably make other issues easier for us to prosecute in the decades ahead.

The revolving door between Parliament House and employment as a lobbyist for the fossil fuel industry has been a major democratic problem for decades, and, as the NSW ICAC has shown, not all the people moving through those revolving doors have acted with integrity.



National



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We change minds.

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PROJECT
A National Integrity Commission: an idea whose time has come

Democracy & Accountability



Australia's trust in federal politics is at an all-time low. Australians have never trusted their politicians less. When operational, the National Anti-Corruption Commission will investigate and expose corruption

Anti-Corruption



Commission

● Progress On The Democracy Agenda

Ahead of the 2022 election, key crossbenchers Helen Haines, Rebekha Sharkie and Zali Steggall joined the Australia Institute to launch our Democracy Agenda for the 47th Parliament: over 40 proposed reforms to bring a measure of integrity and representativeness to our democracy.

Since then, fifteen reforms proposed in the Democracy Agenda have been implemented or progressed. Among them are:



- + The Albanese government has committed to implement truth in political advertising laws. South Australia's truth in political advertising laws show that such regulations can effectively limit misleading advertising and improve political culture.
- + The Labor majority on the Parliamentary Joint Committee on Intelligence and Security has recommended allowing crossbench MPs and senators to join the committee. Australia is unusual among its Five Eyes partner countries in not allowing minor party or independent members on its intelligence oversight committee.
- + There is a real chance that the Australian Capital Territory and the Northern Territory will receive more senators, with the policy adopted at the Labor national conference. The territories have historically missed out: even Tasmania receives 12 senators to the ACT and NT's two each.
- + The Albanese government is part way through its election commitment to cut spending on consultants and labour hire, a commitment made more urgent by the consulting scandals.
- + Education Minister Jason Clare announced that he would remove political interference from the Australian Research Council grants process.
- + Important parliamentary reforms, like the ongoing implementation of the Kate Jenkins Setting the Standard report on parliamentary workplaces, a code of conduct for parliamentarians and their staff and including blind trusts in the register of ministers' interests.

“
Fifteen reforms proposed in the Democracy Agenda have been implemented or progressed.
”

● Abolition Of The Administrative Appeals Tribunal

Just prior to the federal election, the Australia Institute published the largest, most comprehensive study of cronyism in appointments to the Administrative Appeals Tribunal (AAT), showing that political appointments increased dramatically under the former Coalition government. The AAT is where citizens turn to appeal decisions about vital things like their veterans' entitlements, cuts to their NDIS plans and immigration issues.

Our research recommended that all AAT positions be spilled and new appointments made using a merit-based independent process. On 16 December, that is essentially what the Attorney General announced, with a plan to abolish the AAT and replace it with "an administrative review body that serves the interests of the Australian community". This is another major step to strengthen the integrity of one of Australia's key institutions.



● Consulting Firms & Our Broken FOI System

The Australia Institute has been a long-term critic of the both the trend towards outsourcing of public policy making and the quality of that advice. The Democracy & Accountability Program has made the harm done by consulting firms to our democracy a priority this year, after it emerged that PwC misused confidential government information to solicit business from multinational clients and buried a report that exposed problems with the illegal Robodebt scheme.

Our submission to the Parliamentary Inquiry into the integrity of consulting services identified how the over-use of consultancies has corroded Australian democracy, hollowing out public sector capacity and leading to bad government decisions. Research Director Rod Campbell's direct experience with dodgy consultants in the mining approvals and planning sector furnished real-world examples alongside the theory.

The Australia Institute was one of the first to call for a ban on PwC receiving new work: radical at the time but now government policy, albeit as a limited "shadow" ban.



BILL BROWNE | AUST INSTITUTE DEMOCRACY & ACCOUNTABILITY DIRECTOR

NewsDay

REPORT REVEALS PERCEPTIONS OF 'WOKENESS'

13.40 NZ

HEADLINES

FINLAND PRIME MINISTER APOLOGISES FOR NEW PARTY PHOTO OF TOPLESS GUESTS

● Polling Research

“

Good polls can reveal the will of the people.

- G Elliot Morris, data journalist

”

Because democracy and accountability are fundamental to positive change, the Program's work touches on all other areas of the Australia Institute. This is most powerfully demonstrated in the polling research program, which asks Australians their views on policy issues and priorities. Between elections, polling is the most rigorous measure of the will of the people as a whole.

This year our polling research has made important contributions to debates on gambling advertising, stage 3 tax cuts and apprehensions of war with China, attracting significant media attention and providing opportunities for MPs and other voices to discuss issues that the public clearly think are important even when the government of the day might prefer not to discuss them

Ahead of the successful vote on whether territories can legislate voluntary assisted dying laws, the Program wrote to all senators with our latest polling research on territory rights.

We also released polling research showing that most Australians either do not know what the word "woke" means or describe themselves as woke - showing that the media outlets and commentators who use the word as a pejorative are speaking to a small minority of the population.

● Principles Of Fair Political Finance Reform



With the Albanese government taking steps towards electoral reform, our research and our participation in the debate remains essential.

The Democracy & Accountability Program made a major submission to the parliamentary inquiry into the 2022 election, making the case for truth in political advertising laws, an increase in the number of politicians, more transparency for political contributions and proportional representation in the House of Representatives. Program director Bill Browne appeared before the committee, and fielded questions from most committee members.

Our submission also identified potential perverse outcomes from spending and donation caps. Campaign finance changes can entrench the financial advantages enjoyed by incumbent parties and MPs, which Australia Institute

research finds amount to nearly \$3 million per sitting MP in pay, resources and perks over a three-year election cycle.

For Victorians, this is not hypothetical. Our submission to the Victorian Electoral Matters Committee found that the millions of dollars of incumbency advantages received by Victorian parliamentarians, combined with generous public funding and the state's strict caps on donations, represents a high barrier to entry for new independent candidates and emerging minor parties.

Competition is always healthy for democracy, and there is a risk federal campaign finance reforms could have the perverse outcome of making it difficult or impossible for new entrants to take on incumbents. Our research will continue to focus on outlining those risks to voters and to the parliament.

ECONOMICS

PROGRAM



What a year the Australian economy has been through. Inflation and rapidly rising interest rates have hit household budgets hard. But not all budgets were hurting. The government announced a budget surplus and corporate profits were booming, particularly for the fossil fuel industry.

The Australia Institute was the first in Australia to highlight the role that profits played in driving this inflation. While the RBA and Treasury criticised us, subsequent analysis by the OECD, European Central Bank, and other global organisations vindicated both the methods we used, our results and the conclusions we drew. It is rare to have such a clear victory in what are usually never-ending debates about economic cause-and-effect.

While the RBA has been happy to try and control inflation by imposing significant pain on household budgets with rapid interest rate increases, the Australia Institute has been advocating for ways to reduce inflation that do not hurt those people in society who are doing it tough.

This included directly reducing the price of things the government has control over, like childcare and medicine, an approach the Albanese government has embraced in part.

Scott Morrison's stage 3 tax cuts continue to be the elephant in the room in our economic debate, with the new Labor government continuing to support them despite ongoing research and analysis exposing the inherent flaws, inequity and recklessness of these cuts.

With the economy slowing, the cost of living biting, and inequality rising, Australia, more than ever, needs strong advocacy for good ideas. That is precisely what the Australia Institute will continue to do.

● The Need For Economic Ambition

We had not one but two budgets over the last financial year. The first, in October 2022, was to implement the Labor Party's election promises.

The Australia Institute provided a comprehensive analysis, finding that while there were some significant changes, including more funding for childcare and paid parental leave, the small-target strategy the Labor Party took to the election meant the reforms were limited.

“

The cost of medicine, childcare, aged care, education, electricity, public housing, public transport, and a wide range of other services are all directly influenced by state and federal government policies. If we wanted to control inflation, we know how to do it. **- Richard Denniss**

Our analysis of the budget in May 2023 saw the slow incremental change from the first budget continue, leaving us in no doubt that this Labor government was not in a hurry. Despite the go-slow, there have been some bright spots.

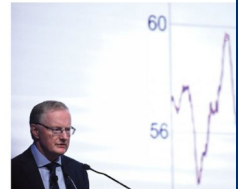
The government embraced our ideas on tackling inflation while providing cost of living relief to households, using its price-setting powers on the costs of medicines, doctors' visits and childcare.

The Monthly

The high cost of Low inflation

By Richard Denniss

The RBA refuses to hear that interest rates won't control inflation, and people are suffering as a result



While the Saudis protect their citizens from soaring energy prices, in Australia we protect the fossil-fuel companies from paying tax. Australia exports more LNG than Qatar, but Qatar collects **20 times more tax from its gas exports than we do**. Its inflation was 3.7 per cent over the past 12 months. Imagine if we collected more tax from the gas industry and made **childcare free**. Again, **government policies matter**.

Read the full essay in the latest edition of The Monthly.

The Australia Institute
Research that matters.

THE MONTHLY

”

This idea was explicitly embraced by Treasurer Jim Chalmers in the budget:

“

Treasury has been incredibly clear that elements of our cost of living plan will actually take some of the edge off the inflationary forecast next year, particularly our energy relief plan. So, our budget has been carefully calibrated to address these cost of living pressures in our economy without adding to inflation.

”

The incremental changes the government are making highlight the need for strong advocacy to push them to take a more extensive economic agenda to the next election.

Gas
Nearly 90% of Australians want government to step in on energy costs, poll finds
 Thu 10 Nov 2022 **The Guardian**

As the gas industry makes massive windfall profits, our research shows an overwhelming majority want the government to step in.

It's time for a
WINDFALL PROFITS TAX

The Australia Institute
 Research that matters.
 Climate & Energy.



● Tax Cuts And Revenue

Stage 3 tax cuts, first proposed by Scott Morrison when he was Treasurer in 2018, continue to be backed by the new Labor government despite the benefits overwhelmingly flowing to high income earners.

Our research continues to expose just how inequitable these cuts are and the impact they will have on inequality in Australia.

The government has been saying that we can't afford to fund everything, even the good ideas. And yet, over 50% of the \$313 billion in stage 3 tax cuts over the next ten years will go to those earning more than \$180,000 annually. Meanwhile, those earning less than \$45,000 will get nothing.

The Australia Institute has been arguing against these tax cuts since the night they were announced.

Our research and advocacy continue to argue for the abolition of the stage 3 cuts and for stronger alternatives to deliver a more equal society and improve our tax system.

Stage 3 and Australia's growing public spending needs, and the revenue-raising options needed to meet them, were central to the Australia Institute's Revenue Summit 2022.

Bringing together economists, policy and taxation experts, the summit and the debate around the stage 3 tax cuts continue our role in shaping the national discussion of revenue and tax reform.

Speakers included:

+ **Professor Rod Sims AO**

Crawford School of Public Policy ANU
and Former Chair of the ACCC

+ **Sally McManus**

Secretary, Australian Council of Trade Unions

+ **Hon Stephen Jones MP**

Assistant Treasurer, Minister
for Financial Services

+ **Hon Dr Andrew Leigh MP**

Assistant Minister for Competition, Charities
and Treasury, Federal Member for Fenner

+ **ACT Chief Minister Andrew Barr**

ACT Treasurer

+ **Bernie Fraser**

Former Governor of the Reserve
Bank of Australia

+ **Professor Miranda Stewart**

Professor of Law, University of
Melbourne Law School





Revenue Summit 2022



● Professor Joseph Stiglitz



In 2022, the Australia Institute hosted Nobel Laureate, former World Bank Chief Economist, and best-selling author Professor Joseph E. Stiglitz for an Australian speaking tour.

The tour saw Professor Stiglitz speak to political leaders, including the Prime Minister and Treasurer, national television and news outlets, and at a wide range of events for the general public, policymakers, unions, civil society, investors and philanthropists, advancing the case for further action on climate change, the introduction of a windfall profits tax on the fossil fuel industry (a policy Professor Stiglitz referred to as a 'no brainer') and the need to abolish the stage 3 tax cuts.



Professor



Joseph Stiglitz



Q: The gas industry is adamant we shouldn't impose a superprofits tax on them. What's the worst thing that could happen if we did?

“

Jokingly, the answer would be you have a better environment and incomes would go up.

Most likely, a windfall profits tax wouldn't have any effect on investment. It doesn't reduce the viability of a gas project. You don't need a 100% return to keep operating.

It would transfer money from the foreign owners of the gas to Australians, making Australia richer.

Joseph Stiglitz
Nobel Laureate Economist



The Australia Institute
Research that matters.



CHALLENGING

THE CONSENSUS

ON INFLATION

● Challenging The Consensus On Inflation

The Australia Institute has challenged one of the sacred tenets of Australian economic management: the idea that inflation is driven by wage growth. Our research found that corporate profits had contributed far more than wage rises to the rapid rise in inflation between 2019 and 2022.

This research represented a significant divergence from a decades-old consensus. As such, it was extremely unpopular with the Reserve Bank of Australia (RBA)—whose entire strategy for addressing inflation it called into question. It was also the subject of repeated attacks from pro-business media outlets—most notably the Australian Financial Review, and the Federal Treasury.

Ultimately, though, reality cares little for ideology, and as the RBA's efforts to curb inflation in the second half of 2022 and the first half of 2023 proved ineffective, a significant serving of humble pie was on the menu for those who criticised our research and our policy conclusions.

'Our research found that corporate profits had contributed far more than wage rises to the rapid rise in inflation.'

How it started:

FINANCIAL REVIEW
Australia Institute urged to retract 'flawed' profit-inflation report
May 25, 2023

How it's going:

The Sydney Morning Herald
Corporate profits heat up inflation: OECD
June 7, 2023

**Same data.
Same methodology.
Same conclusion.**

Corporate profits are driving inflation in Australia, while Philip Lowe, the RBA, Treasury and big business are determined to look the other way.

The Australia Institute
Research that matters.

Price-wage spiral could embed inflation, RBA warns
Financial Review, 10 February 2023

Would a wage/price spiral cause inflation to run out of control?
Treasury officials' fear that rising pay in pursuit of rising prices will create a vicious circle may be unjustified
The Guardian, 21 June 2022

Australian employers say 'excessive' minimum wage rise in line with inflation could lead to recession
The Guardian, 31 March 2023

While big business and their mates fearmonger about wages causing inflation, we looked at the actual data and it told a very different story.

The Australia Institute
Research that matters.

● Our Research On The Link Between Profits And Inflation



The Australia Institute published its first discussion paper on the causes of the cost-of-living crisis in July 2022, around the same time that inflation began on what would prove to be a long upward trajectory. This initial paper found that labour costs had played an insignificant role in driving this initial rise in inflation: they accounted for only 15% of economy-wide price increases. Profits, meanwhile, accounted for 60% of those increases.

While this initial paper received some media coverage, there was little wider controversy. By early 2023, however, the cost of living had risen, and the RBA's traditional method of controlling inflation—repeated interest rate rises for those with mortgages —was proving ineffective. In April 2022, the RBA's target cash rate was 0.1%. By the end of the year, the RBA had lifted rates eight times, and the rate stood at 3.1%. They went on to increase rates four more times in the first half of 2023, and by July of that year, the official interest rate stood at 4.1%: a total increase of 4% in just over a year. Despite these drastic measures, however,

inflation remained stubbornly high.

It was in this climate that the Institute's Centre for Future Work published *Profit-Price Spiral: The Truth Behind Australia's Inflation*. This in-depth examination of the link between inflation and corporate profits was released in February 2023. This time, the Institute's research captured the full attention of the media, business lobby groups, the RBA and the Treasury.

Having previously refused to address the issue of skyrocketing corporate profits at all, the RBA settled on a new narrative to explain our findings: that the rise in corporate profits was essentially confined to the resources sector, and that record resources profits only affected the resources sector. Governor Lowe said as much during an appearance at the Senate Economics Legislation Committee on 31 May 2023: “When we look at the aggregate data, the share of national income that is going to profits, if we put aside the resources sector, really hasn’t changed.”

Again, our research found otherwise. The month before Dr Lowe’s estimates appearance, in April 2023, the Institute’s Centre for Future Work published *Profits and Inflation in Mining and Non-Mining Sectors*, a briefing paper by Greg Jericho and Jim Stanford. The paper found that while the mining sector had indeed experienced an immense rise in profits—some 89% between the end of 2019 and the end of 2022 without any appreciable increase in output, largely due to the war in Ukraine—it wasn’t alone. When the mining sector is factored out of the equation, corporate profits increased 27% over the same period. Wages, meanwhile, grew only 14%—hardly the dreaded wage-price spiral.

OUR



The
Guardian

‘An economic fairytale’: Australia’s inflation being driven by company profits and not wages, analysis finds

Australia Institute warns of a ‘profit price spiral’ and calls for shift in RBA and government narrative towards corporations

RESEARCH

● The Response To Our Research

A casual reader might expect that research into a new way to address a stubborn problem might be welcomed by the RBA, especially when that problem was having a direct and adverse impact on the day-to-day lives of millions of Australians.

Instead, the RBA and its supporters responded with ridicule and hostility.

Our Profit-Price Spiral paper was dismissed out of hand as “silly” in an AFR piece published in late February. It is worth noting that none of the hostile coverage engaged with the substance of our research.

However, despite the critical domestic reception, powerful support came from an unexpected quarter. In early June 2023 the OECD, led by former Morrison government finance minister Mathias Cormann, published its first Economic Outlook of 2023.

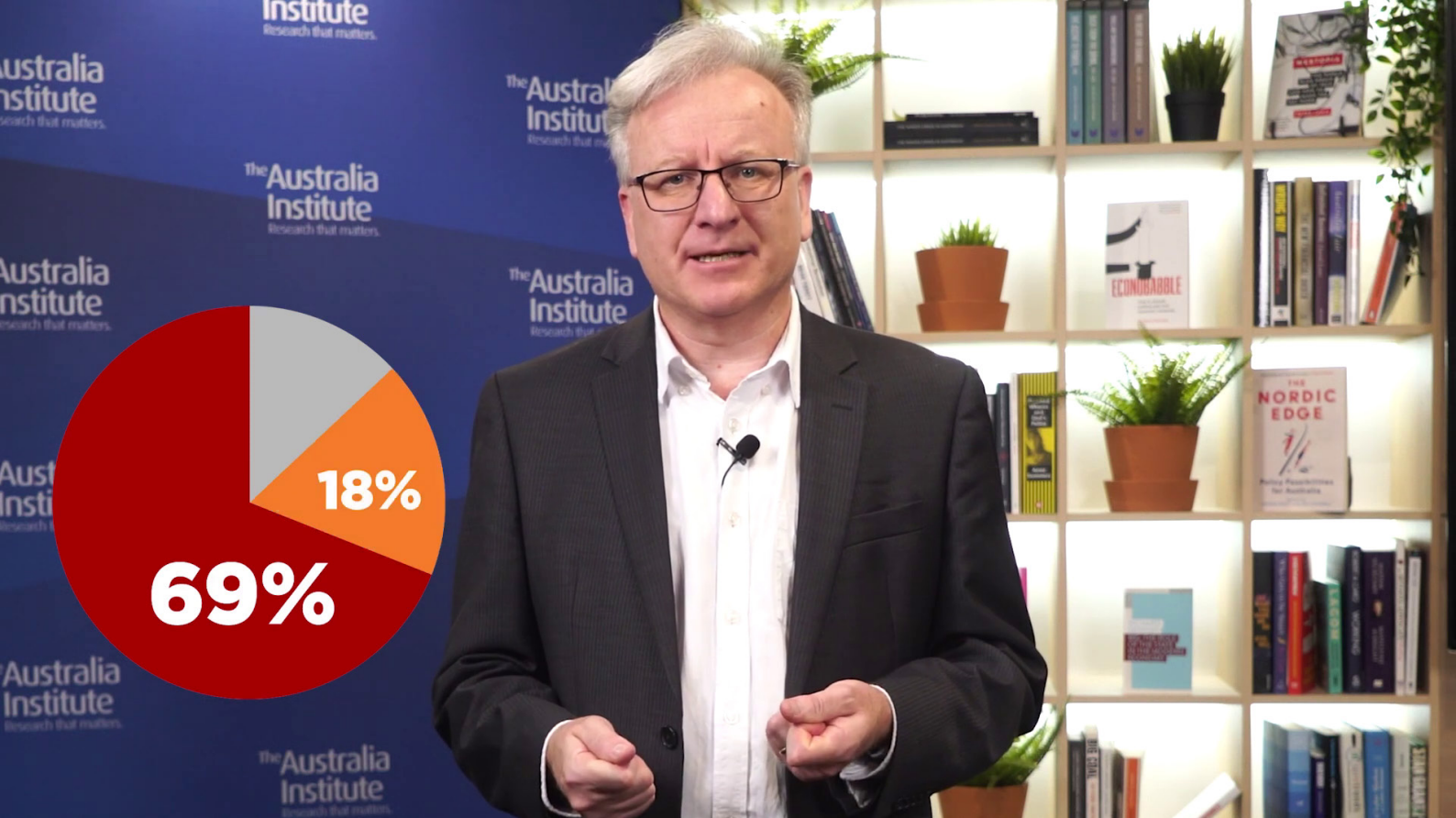
Taking a similar methodological approach to our research, the OECD analysed the role of profits and labour costs in inflation in multiple economies around the world, including Australia’s.

Unsurprisingly, like us, the OECD found that in Australia and several other economies:

The weakness of household incomes, and the associated pressures on household purchasing power, have prompted concerns that the high rates of inflation seen in the past year have been due in part to firms raising their profits rather than simply passing on higher input costs.

A decomposition of the factors contributing to the rate of growth of the GDP deflator – an indicator of domestically-generated price pressures – suggests that increases in both unit profits and unit labour costs help to account for the upturn in inflation, albeit to a different extent across countries.

The OECD’s findings, consistent with our research, were widely reported and largely ended the controversy around our research. Even the RBA started to change its tune: in his appearance before the Senate committee, Lowe conceded, “Wages have not been a driver of inflation,” and also, “There is no sign that higher prices lead to higher wages, leading to higher prices and so on... that is not happening.”



● How The Australia Institute Changed The Conversation

Profit-driven inflation isn't a phenomenon specific to Australia. Similar research into the link between corporate profits and inflation has been conducted around the world, by bodies as diverse as economics faculties, unions and the European Central Bank.

The dogged insistence on sticking to conventional wisdom, however, does seem more pronounced in Australia than overseas. It's an indictment of the RBA that it has taken the voices of the OECD and other centrist organisations to convince them of the link between profits and inflation when the evidence of that link has been sitting in front of them for at least a year. Dismissing inconvenient research that challenges the economic orthodoxy is both short-sighted and destructive. Ultimately, even big business suffers from a situation where a large number of Australians can barely pay their rent or mortgage.

The Australia Institute's purpose is "research that matters", and the way in which our work has reshaped the debate on inflation is a perfect example of this purpose in action.

INTERNATIONAL & SECURITY



AFFAIRS PROGRAM

● International & Security Affairs Program

The year under review saw a further global descent into disruption, indecision and uncertainty.

The uneven recovery from the COVID pandemic, the continuing and pointless war in Ukraine, the impotence of world leaders in the face of global warming (the symptoms of which are all too apparent) and challenges resulting from ongoing geo-economic and geostrategic instability – all of these combined to generate a work program that was as demanding as it was disparate.

The International & Security Affairs Program continues to advocate a basic reset in the national foreign policy mindset, as advocated in the book *No Enemies, No Friends*, published in 2022.

Book launches, writers' festivals, lectures, seminars and panel discussions offered valuable opportunities for arguing that Australia needs to regain its agency through a restatement of its values and national interests.



It is fair to say that the election of the Albanese government and the energy of the new Minister for Foreign Affairs, Senator Wong, gave the Australia Institute's efforts a resonance it may have lacked in the previous year, with a renewed focus on the Pacific.

The program issued four major reports: Nuclear Non-Proliferation Review Conference: It's time to revive a struggling treaty (August 2022); The Defence Strategic

Review (October 2022); and two on the AUKUS submarine matter – *Australia's Future Submarines* (November 2022) and *Talk us through AUKUS... and Australia's dream submarine* (February 2023).

The program also contributed to two additional Institute reports during November 2022: *Submission to the inquiry into international armed conflict decision making* and *Submission: Inquiry into supporting democracy in our region*.

In addition, the program participated in several of the Australia Institute's podcasts, as well as many media appearances before both domestic and international audiences – including ABC's flagship current affairs program 7.30, the BBC, CNA (Singapore) and Phoenix Television (Hong Kong and Beijing).

The principal focus of these broadcasts was the war in Ukraine, China's military activities in the Pacific and the Albanese government's decision to proceed with the previous government's acquisition of nuclear-propelled submarines.

Finally, in early 2023, the program began researching a new book on the Australia-US relationship. *The Odd Couple* (the proposed title), advocating a focus on the deep institutional and structural links between Australia and America to transcend the narrower concentration on the security relationship, will be published in 2024.

Historically, debate about foreign policy has been the preserve of a large number of diplomats and a small number of institutions. The Australia Institute sees foreign policy as a crucial lens through which to understand Australia's climate, tax, migration and other policy agendas.

In turn, our International & Security Affairs Program helps inform the work of all of our other programs. Its creation has made the Institute a more outward looking and higher impact organisation.

SEX & GENDER

EQUALITY

● Criminalising Stealth

The research of the Australia Institute's Sex and Gender Equality program, with director Chanel Contos, helped bring the issue of stealthing into the national spotlight and moved Australia towards nationally consistent criminalisation of the little-known form of sexual assault.

Stealthing is the non-consensual removal of a condom during sex. In July 2022, the Australia Institute hosted a roundtable convened by Chanel, attended by Attorneys-General advisors, shadow Attorneys-General, Supreme Court Judges and members of state and territory legislative councils, with national television and media coverage.

At the time, only the ACT and Tasmania had made stealthing a crime, with other states and territories lagging behind.

Following the roundtable, the Australia Institute met with all state and territory Attorneys-General and briefed them on stealthing, including the federal Attorney-General Mark Dreyfus, after which stealthing was added to the Meeting of Attorneys-General Work Plan.

In October 2022, a report by Sienna Parrott, Anne Kantor Fellow at the Australia Institute, and Dr Brianna Chesser from RMIT further pushed the case for nationally consistent criminalisation laws, showing 81% of Australians support the proposal.

By December, NSW and Victoria had implemented stealthing laws, and thanks to the work of Teach Us Consent and the Australia Institute, Queensland and South Australia committed to criminalising stealthing as well.

In June 2023, the Northern Territory indicated they would move to criminalising stealthing, leaving just Western Australia to follow. In WA, stealthing was a recommendation of the WA Law Reform Commission, requiring the WA Government to provide a response.

Thanks to the work of the Australia Institute on both public education and engagement with law-makers, significant progress has been made to minimise the prevalence of this harmful practice.



Labor backs unity call on sex assault laws

By SARAH ISON
POLITICAL REPORTER
Follow @sarisson

12:00AM OCTOBER 14, 2022
1 COMMENT



Attorney-General Mark Dreyfus. Picture: NCA NewsWire / Gary Ramage

Attorney-General Mark Dreyfus wants to harmonise laws around stealthing across states and territories, following a report showing four in five Australians want the practice criminalised.

Stealthing refers to removing a condom without consent during intercourse, and 2018 data shows about one in three women and one in five men had experienced this form of sexual assault.



Mark Dreyfus
@MarkDreyfusKCMP

The Albanese Government is working with states and territories on a collective project to strengthen laws relating to sexual assault and consent.

I had a productive meeting with Chanel Contos about her work with @TheAusInstitute. I thank her for her tireless advocacy.

Australia Institute @TheAusInstitute · Oct 14, 2022
Congrats to lead report author @SiennaParrott, Dr. Brianna Chesser & Chanel Contos on this important research & law reform via @Sarsison
theaustralian.com.au/nation/politic...

9:21 AM · Oct 14, 2022

OUR DIGITAL

ENGAGEMENT

OUR

In the 2022-2023 fiscal year, the Australia Institute made significant strides in digital engagement, expanding its reach and influence across various social media platforms and breaking new records for our digital impact.

As the online landscape changed, we adapted and harnessed short-form video content to deliver informative, concise and entertaining content that reached millions of people across a range of demographics and platforms.

GROWING



FOOTPRINT

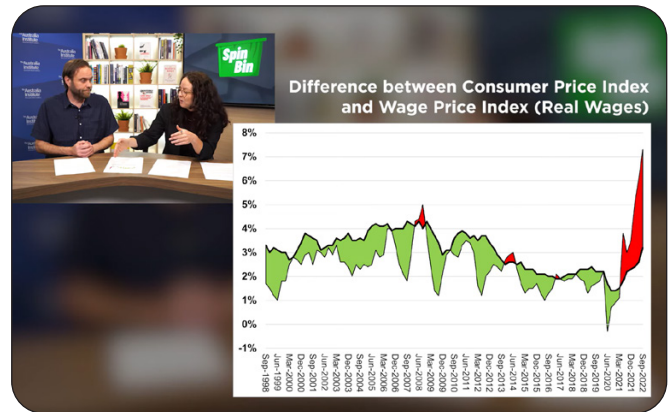
Record Breaking

The impact of the Australia Institute’s digital communications in the past year has been monumental.

May 2023 marked a historic milestone for the Institute, becoming our most influential month to date on the website formerly known as Twitter, amassing 2.9 million impressions, passing our previous record set in March.

Strategic and engaging interventions on key issues drove these impressive numbers, including our contributions to the debate about profits driving inflation, unpacking the spin regarding fracking in the Northern Territory, showing how little tax is paid by the gas industry, and the unfairness of the Stage 3 tax cuts.

June 2023 emerged as our second-largest month ever, with 2.4 million impressions. Before this, the monthly milestone of 2 million impressions had only been surpassed during the black summer bushfires in January 2020.



Impact



Polly Hemming

Senior Researcher, Climate & Energy, The Australia Institute

● Embracing The Power Of Short-Form Video

In response to evolving digital trends and audience preferences, we made a strategic shift to prioritise the creation of short-form video content. Producing original explainers and analysis videos in our in-house production studio, and repackaging television interviews by our staff, we reached new audiences on Instagram and TikTok, growing our audience at a rapid rate and setting new records for viewership.

Our followers on TikTok increased tenfold from less than 2,000 in July to nearly 20,000 at the end of June 2023. Our most-viewed video was a clip of Polly Hemming, our Climate & Energy Program director, debunking claims about the economic contribution of the gas industry on ABC's The Drum. This clip was watched 610,800 times on TikTok alone, more than any video or social media post in the Australia Institute's history, putting out content in front of younger audiences.

We also saw impressive growth on Instagram, nearly tripling our followers from 5,717 in June 2022 to 15,214 in June 2023. Over half a million people watched a video of Alan Gray from Bush Money Mob on The Drum spruiking our research on profits driving inflation, at a crucial time in the debate about interest rates.

Our Instagram following

3x

from 5,717 in June 2022 to 15,214 in June 2023.

Our TikTok following increased

10x

from less than 2,000 in July to nearly 20,000 at the end of June 2023.

● Between The Lines

In November, we released a revamped edition of our newsletter, *Between the Lines*. It reaches almost 90,000 people every fortnight, collating our latest research, explainers, graphs, podcasts, videos and events with a behind-the-scenes wrap from Richard Denniss.

In the words of a supporter:

Another writes: "Thank you VERY much for your refreshingly clear email, easy to read, with highly relevant comments and links to quality articles, podcasts and TV commentary. Simply excellent."

“

The Between the Lines newsletter is a fantastic initiative. It brings all the salient points and calls to action together in one easy-to-absorb format, which makes it eminently shareable.

”

Get all the best analysis from the Australia Institute
» direct to your inbox.

 **Between the Lines**
The fortnightly-ish newsletter from our team, direct to you.

- + the latest research
- + opinion pieces
- + videos
- + analysis
- + and more!

SUBSCRIBE 

The Australia Institute
Research that matters.



● Informative, Relevant, Respected Analysis

Throughout the year, our popular webinar series featured esteemed guests from various fields, including political figures, activists, authors, and experts.

Highlights include Nobel Laureate Professor Joseph Stiglitz, architects of the Uluru Statement of the Heart Pat Anderson AO and Professor Megan Davis, the former President of Kiribati Anote Tong, and the former President of Palau, Tommy Remengesau Jr.

Our weekly podcast series Follow the Money, hosted by Ebony Bennett, continued to break down Australia's major economic issues in an accessible and engaging manner. This fiscal year, Follow the Money was listened to almost 350,000 times, making it one of the top policy-focussed podcasts in Australia.

Follow the Money was listened to almost

350k

times, making it one of the top
government podcasts in Australia.



INTRODUCING THE POSTDOCTORAL RESEARCH FELLOWSHIP

● Introducing The Postdoctoral Research Fellowship

The Australia Institute's Postdoctoral Research Fellowship is a new program equipping recent PhD-graduates with the skills needed to conduct research that matters. Leveraging the knowledge of these highly qualified experts allows us to expand into new areas of public policy.

Our fellows learn how to conduct effective polling, assess a range of statistics, reports and laws, and navigate the world of policymaking.

They also receive media training and lessons in effective communication.

The program offers fellows the opportunity to:

- + Pursue their research with the support and assistance of the Australia Institute.
- + Diversify beyond specific areas of methodological and disciplinary expertise.
- + Learn the practical political and media strategy skills that will ensure their research has a real-world impact.

The program offers the Australia Institute the opportunity to:

- + Expand the scope of the research we conduct.
- + Be part of a network of academics able to engage effectively in Australian policy debates.
- + Develop closer links with Australia's universities.
- + Work with qualified research professionals to publish specialist reports.



Most significantly, Postdoctoral Fellows learn how to communicate with, and write for non-academic audiences.

We teach them how to write the kind of informative, influential research we are known for and how to present their findings in visually engaging ways across multiple formats. Fellows learn how to effectively target their research to relevant policymakers, journalists, and the general public so that it has an impact.

In working side-by-side with the rest of our team, the Postdoctoral Fellows also give us an opportunity to learn from their fresh perspectives.

The inaugural cohort of Postdoctoral Fellows includes experts in cell biology and protein biochemistry, development studies, moral philosophy and political theory, and political economy and environmental history.

Our fellows bring knowledge and diligence that allows the Australia Institute to expand into new areas of public policy whilst simultaneously strengthening the quality of the research for which we are renowned.

This program would not be possible without the generous support of the ACME Foundation.

ANNE KANTOR

FELLOWSHIP

● Anne Kantor Fellowship

The Anne Kantor Fellowship continues to be a proud initiative of the Australia Institute and an enduring tribute to Anne Kantor's advocacy and philanthropy.

Anne Kantor's life was study of distinguished service to the community. This was highlighted by her work as an advocate and social worker and later, a psychoanalytic psychotherapist, as well as her philanthropic support for a range of environmental, Indigenous, social justice, arts and educational organisations. Anne and the Kantor family have been strong and vital supporters of the Australia Institute since it began 25 years ago.

The fellowship offers individuals a structured 12-month program that encourages growth, skill enhancement, and robust participation in policy debates and advocacy, including placements with the Australia Institute in Canberra, South Australia, and Tasmania.

The Australia Institute runs two Fellowship programs: The Anne Kantor Fellowship and the Anne Kantor Young Women Environmentalists Fellowship.

Central to the fellowship's mission is its dynamic on-the-job training component. Fellows are provided with firsthand experience, engaging in meaningful research and advocacy projects. This practical approach ensures that each fellow garners the essential skills, perspectives and knowledge necessary to navigate and influence Australia's complex policy landscape.

Fellows contribute to a range of research, analysis, and communications work across the Australia Institute, along with structured learning opportunities from a range of experts, including members of parliament and the media.



Anne Kantor Fellowship Alumni have taken their learnings on to a range of organisations, including roles in the public service, political offices, and as ongoing members of the Australia Institute.

The legacy of Anne Kantor lives vibrantly through the fellowship, ensuring that her impactful journey in philanthropy continues to inspire and pave the way for future generations of leaders and advocates.

Eve Kantor, Anne's daughter, has told the Australia Institute the idea that the Fellowships are granting opportunities to those who might have otherwise been denied them is deeply meaningful.

“

My mother felt very privileged in her life,” Eve Kantor says, “and felt that there were people who were—through no fault of their own—not treated well enough, and not given the opportunities they should have been.

”

THE AUSTRALIA INSTITUTE

TASMANIA

Over the last 12 months, the Australia Institute Tasmania has continued to be at the forefront of public debate across issues such as the plight of the endangered Maugean skate, Tasmania's absent State of the Environment Report and the long-awaited Tasmanian Electoral Act reforms.



● Tasmania's State Of The Environment Report

Thanks to the work of the Australia Institute Tasmania, the state's residents will now have access to vital information about their environment.

Tasmanians have been kept in the dark about the condition and trends of their environment because the Tasmanian Government has failed to produce a State of the Environment (SOE) Report since 2009. This is despite a legislative requirement to do so every five years.

After a Right to Information request, submitted by the Institute, revealed that almost no action had been taken to prepare the next report, the Australia Institute and Environmental Defenders Office persuaded the Tasmanian Government to recommence SOE reporting in September 2022. In response to our research and advocacy, the Tasmanian Government has committed to completing the next report by 30 June 2024.



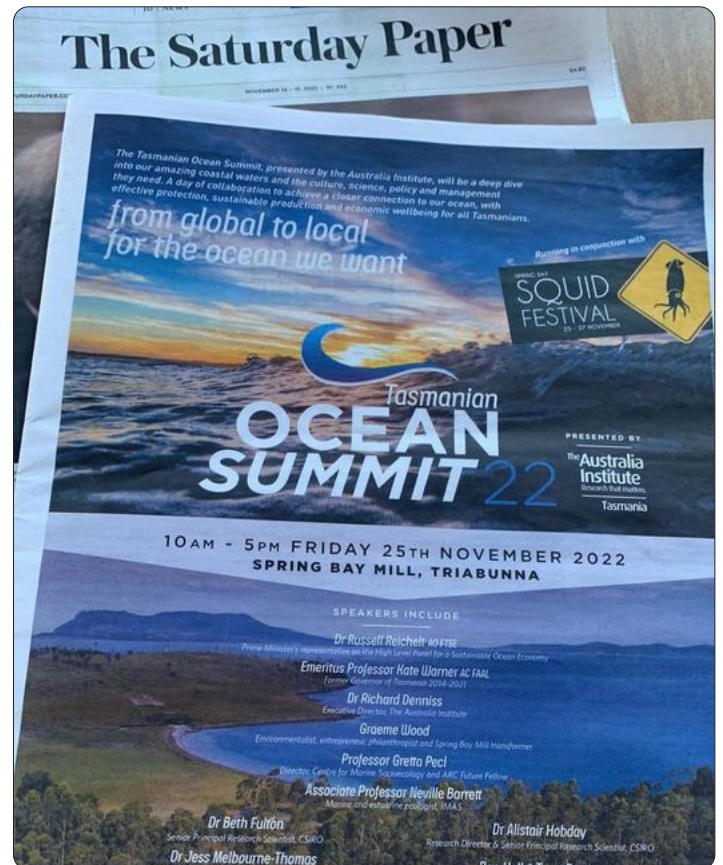
● Tasmanian Ocean Summit 2022

The Australia Institute Tasmania is helping shape future marine management through our research and engagement around the review of Tasmania’s main marine law and a raft of other marine reforms. This includes submissions, opinion pieces, polling, media and community and political engagement.

In October 2022, we hosted an expert roundtable with representatives from the Tasmanian and Victorian governments, CSIRO, UTAS and various marine sectors.

In November 2022, we hosted the inaugural Tasmanian Ocean Summit. The day-long event, held at Spring Bay Mill on Tasmania’s East Coast, was a sell-out and contributed to valuable conversations and momentum that is building to improve the way we care for and use Tasmania’s coastal waters. Both events highlighted the broad interest in a comprehensive ocean management framework for Tasmania.

The Living Marine Resource Management Act 1995 review continues in 2023, and the development of a national Sustainable Ocean Plan is underway. A second Tasmanian Ocean Summit is planned for 2023.



● An Integrity Commission With Teeth

After our research in early 2022 that highlighted the weaknesses in Tasmania’s Integrity Commission, the Tasmanian Government announced it would review the Integrity Commission Act 2009.

Our submission made a range of recommendations, including an expanded definition of corrupt conduct, and allowing the Commission to investigate corrupt conduct of people beyond public officers who are seeking to influence impartial public administration. Despite significant community interest, this process appears to have stalled.

● Climate

The Tasmanian Government consulted on and then released its Climate Change Action Plan in 2023.

The Institute’s submission called it out as a plan for inaction. Unfortunately, this plan will do little to reduce emissions or mitigate the impacts of climate change.

24 TALKING POINT

Time for a statewide

Tasmania's coastal waters are global hotspots for biodiversity. They are also under threat from a range of pressures, including fishing, aquaculture, climate change and pollution.

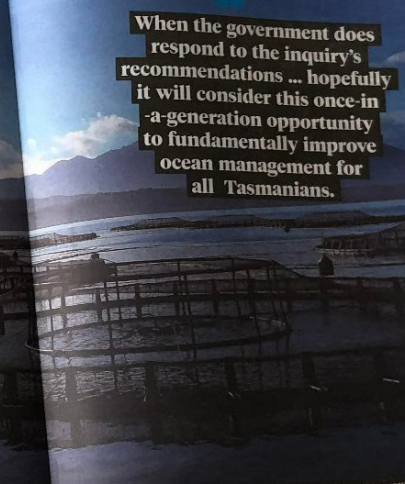
Clear coastal waters are a prerequisite for our coastal waters to be healthy and productive. But our coastal waters are under threat from a range of pressures, including fishing, aquaculture, climate change and pollution.

An inquiry into fish farming in Tasmania has offered sensible and pragmatic approaches to addressing concerns. However, the government must now act to ensure the opportunity to improve ocean management is not lost, writes **Eloise Carr**

Tasmania was still called Telecom Australia. As you can imagine, resource management has evolved significantly over that time and the law is a lot of help in a range of areas. It does not mention climate change. For a start, over the previous 10 years, a fundamental shift in modern resource management that calls for proactive action in the face of uncertain knowledge about risks.

marine plan

When the government does respond to the inquiry's recommendations ... hopefully it will consider this once-in-a-generation opportunity to fundamentally improve ocean management for all Tasmanians.



The Australia Institute is calling for all salmon operations in Tasmania such as the Tassal Green project, operated by Macquarie Harbour, at Strahan, on the West Coast, to be protected by a statewide marine plan.

TALKING POINT 25

UTAS out of touch with public

University's planned move from Sandy Bay to the CBD appears more unpopular than ever, writes **Michael Foster**

If ASB had ever been a town, a Tasmanian institution in the current plan to relocate the Faculty of Business to the University of Tasmania.

Michael Foster is a Hobart journalist and UTAS graduate.

Fish Farming, Fishing, Marine Protection And The Maugean Skate

In response to alarming evidence from the Institute of Marine and Antarctic Studies (IMAS) calling for urgent and immediate action to save the endangered Maugean skate, the Australia Institute joined a growing number of state and national organisations, independent scientists and Tasmanians demanding an immediate halt to salmon farming in Macquarie Harbour.

The Institute has triggered a review process under the Environmental Protection and Biodiversity Conservation Act 1999, seeking to overturn the 2012 federal government decision that allowed large-scale fish farming in the harbour. Our letters to Environment Minister Plibersek reiterated her obligations to protect the skate and detailed the scientific evidence of how fish farms threaten it. We have also released national polling that found 61% of Australians support stopping fish farming where it puts the Maugean skate at risk of extinction.

The Institute also visited the West Coast town of Strahan to meet with local stakeholders and community members to hear concerns about the health of Macquarie Harbour, regional employment opportunities and the plight of the Maugean skate.

The Australia Institute has provided media commentary on the National Recovery Team's inaction in Macquarie Harbour to save the Maugean skate in the Australian, Mercury, Examiner, Advocate and ABC Radio Hobart Mornings program.

The Institute has also contributed to fisheries rule changes, the development of a Tasmanian wild fishery harvest strategy, salmon farming reforms, and the review of Commonwealth Marine Reserves of Southeast Australia.

We have also released national polling that found

61%

of Australians support stopping fish farming where it puts the Maugean skate at risk of extinction.

● Anne Kantor Young Women Environmentalists Fellowship

The Tasmanian placement of an Anne Kantor Fellow continues to be a huge success. Our second Fellow, Evie Simpson, has undertaken research across a wide variety of Institute projects and tasks while also providing secretariat support to the Tasmanian Independent Science Council.

The Fellows continue to impress both the staff at the Institute and our stakeholders. Locating a fellow in Tasmania has also provided an important local employment opportunity in a regional setting.



"The Anne Kantor Young Women Environmentalists Fellowship has given me the opportunity to contribute to policy debate through submissions, discussion papers, stakeholder engagement, organising public events, and media engagement

Most importantly, the Fellowship has allowed me to work in Tasmania, on issues that affect Tasmania. Our state has a unique array of environmental, economic and democratic issues, so the opportunity to learn from and contribute to the Institute's work here has been invaluable."

- Evie Simpson, Anne Kantor Young Women Environmentalists Fellow 2023

● Politics In The Pub And The State Budget Wrap

An informed, engaged community helps drive better politics. To this end, the Institute has held Politics in the Pub forums on topics including marine protection, political donations, and other electoral reforms.

A highlight was having Senior Economist Matt Grudnoff visit Tasmania for a breakdown and analysis of the 2023 Tasmanian Budget. The Institute's success in elevating the importance of these issues can be seen in the positive community responses to these events.



● Big Names Unite To Protect Tasmania's Forests

When the Victorian Government announced it would end native forest logging by January 2024, the Australia Institute responded by bringing together 67 prominent Australians to urge the Tasmanian Government to follow suit. Federal MPs, an Olympic champion and acclaimed authors were among dozens of high-profile names that signed on to our open letter.



● Political Donations Disclosure And Truth In Political Advertising

Tasmania is on the brink of adopting a new political donations disclosure regime, and other electoral law reforms. The Institute has been working hard to improve the draft legislation. We are optimistic that the laws will be improved through amendments to lower the disclosure threshold and introduce truth in political advertising provisions. This is another example of collaboration between national and state-based programs.



THE AUSTRALIA INSTITUTE

SOUTH AUSTRALIA

● The Australia Institute South Australia



This year has been marked by significant achievements, continued growth, and high impact contributions to policy development and public debate in South Australia.

We were thrilled to welcome Dr. Alexia Adhikari, a distinguished Postdoctoral Research Fellow, to our South Australian team this year. Dr. Adhikari brings a wealth of experience and expertise in social and economic policy analysis, further enhancing our ability to provide evidence-based research and analysis to inform policy decisions in South Australia.

As we reflect on the past year's accomplishments, we are excited about the opportunities that lie ahead. Our commitment to evidence-based research, impactful advocacy, and fostering public discourse remains unwavering.

● Influential Policy And Advocacy

After multiple years of research and advocacy led by the Australia Institute, the South Australian Government's Electric Vehicle Tax was finally officially repealed in February 2023. We also made a significant submission to the South Australian Parliament's inquiry into duck hunting laws, advocating for a ban and led engagement on issues relating to the advertising of gambling, alcohol, and fossil fuels in South Australian sport.

Through rigorous research and advocacy, we played a vital role in shaping the policy discussion around these important issues.

● Leadership In Climate Change Discourse

Addressing climate change remains a top priority for the South Australian team. In the past year, we attended and actively participated in multiple South Australian climate change conferences, including the South Australian Energy Ministers' roundtable on the state's energy transition policy framework. Our presence at these events allowed us to collaborate with experts, share our research findings, and advocate for sustainable and effective climate policies.





● Global Engagement On Climate

We were proud to participate in an exchange of think tank leaders from Australia to the United States to discuss climate change policies and geopolitical considerations as they relate to the Quad diplomatic network.

This international collaboration has allowed us to contribute our expertise to a global dialogue on critical issues, further enhancing our impact.

● Supporting Cultural And Intellectual Endeavours

In March of 2023, we proudly sponsored the WOMADelaide arts and music festival in South Australia.

During the event, we hosted the ABC's Party Room podcast recording and organised a panel on climate leadership featuring the Director of the Australia Institute's Climate & Energy Program, Polly Hemming.

Our participation in cultural events allows us to reach a broader audience and engage in meaningful discussions on important topics.

● Promoting Literary Excellence

We continued our support for Adelaide Writers Week by sponsoring the event and programming several panels featuring distinguished individuals such as former Federal Treasurer Wayne Swan, ACTU Secretary Sally McManus, ABC chief political correspondent Laura Tingle, and many others.

These panels provided a platform for thought-provoking discussions on critical issues facing South Australia and our nation.

CENTRE FOR

FUTURE WORK

● Centre For Future Work

The realm of labour economics and labour market policy was exciting and fast-moving over the 2022-23 financial year, and the Centre for Future Work played an important role in informing policy debates and advancing progressive labour policy options. Major themes of the Centre's interventions included new labour legislation introduced by the Commonwealth government; continuing macroeconomic and labour market challenges arising in the aftermath of the COVID pandemic; challenges and opportunities facing Australia's manufacturing sector; the importance of adequate funding for high-quality delivery of public and caring services; and issues associated with work and technological change.

The new federal political context has provided numerous opportunities for the Centre to intervene with its research findings and policy proposals.

The Labor government moved quickly to advance several labour policy reforms. These included hosting a major Jobs and Skills Summit in August 2022. In partnership with the Australian Council of Trade Unions, we prepared a major paper on macroeconomic policy that was released just before the Summit, titled *An Economy that Works for People*. It mapped out an ambitious, progressive vision for better ways to manage unemployment and inflation, rather than using economy-wide interest rate hikes to deliberately undermine jobs and incomes for working people. The report received extensive media coverage.

The government followed the Summit by tabling the first tranche of its programme of labour reforms, the Secure Jobs, Better Pay Act. This legislation included several reforms to strengthen collective bargaining. The Centre considered the possible impacts of these reforms in a

major research paper, *Collective Bargaining and Wage Growth in Australia*, by Jim Stanford, Fiona Macdonald and Lily Raynes. This paper reviewed the historic weakness in Australian wage growth over the last decade and linked it to the rapid erosion of collective bargaining coverage in Australia during the same time. The paper received widespread coverage while the new legislation was being debated (and eventually approved), and Centre staff appeared before various parliamentary panels to discuss our findings.

Subsequent tranches of labour reform legislation have been forthcoming from the federal government, and the Centre continues to participate in analysis and debate of further measures to improve fairness, stability, and compensation for Australian workers. These include proposals by the government to better regulate non-standard forms of employment, such as labour hire and platform (or 'gig') work. The Centre has developed a strong catalogue of research on insecure work. One important contribution is a detailed review of the growing use of gig employment models in caring services, *Unacceptable Risks: The Dangers of Gig Models of Care and Support Work*, by Fiona Macdonald, published in May 2023.

The continuing challenges arising from inflation, and its varied impacts on working people, was another key theme of the Centre's work in 2022-23. We published (in conjunction with colleagues at the Australia Institute) several studies analysing the causes of post-pandemic inflation and challenging the conventional assumption that this inflation resulted from excessive wage growth and purchasing power among Australian workers.



As discussed, our report *Profit-Price Spiral: The Truth Behind Australia's Inflation*, by Jim Stanford, published in February 2023, generated widespread attention.

Our research on profit-price inflation was important in challenging the knee-jerk application of conventional wage-suppressing monetary policy, and sparking broader interest and concern with the pricing power of corporations as a relevant dimension of the cost-of-living crisis.

Follow-up work by the Centre in this area includes the compilation of a detailed literature review of other global research on profit-price inflation, a submission to the ACTU's 'Price-Gouging Inquiry' (headed by Allan Fels, former head of the ACCC), and a webinar (with over 1000 registered attendees) with Dr Isabella Weber, one of the world's leading experts on profit-price inflation.

In 2017, the Centre for Future Work hosted the first National Manufacturing Summit with support from the Australia Institute and several industry and trade union co-sponsors. Follow-up conferences took place in 2018 and 2019.

The industry peak body Weld Australia took on central responsibility for logistics and planning, but the Centre remained a key partner. After a 3-year hiatus due to the COVID pandemic, the 4th Summit will be held at Old Parliament House in Canberra in August 2023, again co-hosted by Weld Australia and the Centre for Future Work / Carmichael Centre.

In addition to these themes, other Centre for Future Work research during 2022-23 covered the following topics:

- + The continuing gender wage gap, and its implications for equality.
- + The cumulative consequences of wage caps imposed on public sector workers in several jurisdictions.
- + The erosion of public funding for universities, and its impact on quality of work and education.
- + The economic, fiscal, and health risks of privatising water services.
- + The problem of wage theft experienced by international seafarers.
- + Analysis of the October 2022 and May 2023 Commonwealth budgets.

Centre For



Future



Work

● Economics For Unionists

One unique undertaking of the Centre is a series of economics training courses offered to trade union delegates, officials, and activists through the ACTU's Australian Trade Union Institute. We have offered the course, titled 'Economics for Unionists', since 2016. Since the COVID pandemic, the course has been offered online and in-person. In 2022-23, the in-person version took place in Sydney. The course features a mixture of lectures (delivered by Centre staff) and small group exercises, explaining key dimensions of the economy and economics from a trade union perspective. It receives consistently positive evaluations from participants. The Centre will also offer customised versions of the course in the coming year as part of the ACTU's new Organising Works program.

● Go Home On Time Day

Another annual project undertaken by the Centre is the Go Home on Time Day initiative. Each November, the Centre sponsors this day to recognise the value of leisure and personal time to our economy and communities, to highlight the problem of overwork and unpaid overtime, and to strengthen awareness of and support for policies to promote a better work-life balance. The 2022 incarnation focused on the emerging 'right to disconnect', highlighting the importance of ensuring workers can 'turn off' from their jobs during personal time. The 2023 version will occur on Wednesday, 22 November.



● 2022-23 Cumulative Output And Dissemination

The Centre for Future Work publishes its research in various formats, including research reports, shorter and more flexible briefing papers, commentary, and academic-quality research published in peer-reviewed journals and other outlets.

During the 2022-23 financial year, our cumulative publication inventory includes significant volumes of output in all of those categories:

- + 19 full research reports
- + 22 shorter briefing papers
- + 91 commentaries and op-eds
- + 6 academic and peer-reviewed articles

We logged 800 media articles during the past year, generating over 1,500 separate stories. The combined audience for this coverage, over 50 million people, marks the most successful year in the Centre's history for media coverage and public impact.

Our social media presence continues to expand, offering videos, explainers, and other popularly accessible products featuring our research and our expert staff.

Another innovation has been introducing a new web-based feature, *Off the Charts*, which highlights a single chart, graph, or other empirical finding, paired with a short, readable description. Conceived and curated by Greg Jericho, the Centre's Policy Director for Labour Market and Fiscal issues, instalments are regularly picked up and re-reported by journalists, and the series has been helpful in further expanding the Centre's ability to respond quickly and effectively to emerging statistical and policy news.

● Our Team

In early 2022, we welcomed our two Policy Directors, Greg Jericho (Labour Market and Fiscal) and Fiona Macdonald (Industrial and Social).

They each made important contributions to our research output as they quickly settled into their new roles. Greg has since been assigned an additional role, Chief Economist for the Australia Institute, which he fulfils while maintaining his Centre responsibilities.

We said farewell to two able staff who made major contributions during their short time with our Centre: Senior Economist Eliza Littleton and Anne Kantor Fellow Lily Raynes. Both have moved to new policy roles in the Senate.

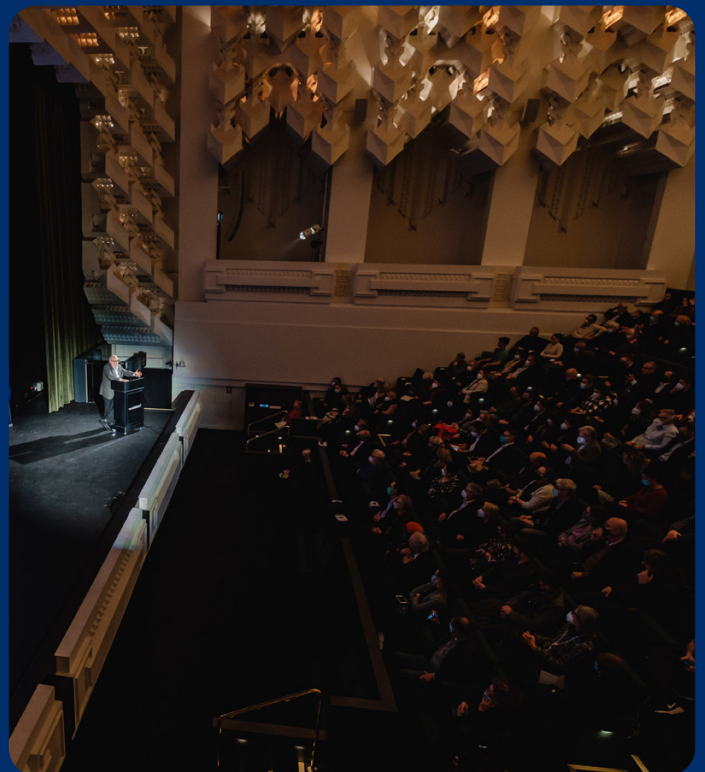
Through our Carmichael Centre project, we welcomed Dr David Peetz, one of Australia's foremost labour policy academics, who started in early 2023 as our new Laurie Carmichael Distinguished Research Fellow (replacing Dr

Mark Dean, the inaugural Fellow, who left for a new role in the trade union movement). Charlie Joyce joined the Carmichael Centre as an Anne Kantor Fellow.

The Centre for Future Work continues to be directed by Jim Stanford, who works on a half-time basis (and serves as Director of the separately funded Centre for Future Work in Canada).

We are grateful to all members of our staff team for their efforts. We are also deeply grateful to the Australia Institute for its generous support and guidance, the volunteers who serve on the Centre for Future Work's Advisory Committee, and the broader community of trade unionists and equity advocates whose interest and support give our work relevance and impact.

Carmichael Lecture



● Carmichael Centre



The Carmichael Centre published several studies and commentaries during the 2022-23 financial year, including on industrial opportunities for Australia associated with electric vehicles; shorter working time; and the importance of union education programs in developing a stronger union movement.

Each year, the Carmichael Centre hosts (in conjunction with RMIT in Melbourne) an annual Carmichael Lecture, featuring a prominent leader or researcher associated with the Centre's progressive goals. The inaugural Carmichael

Lecture was delivered in July 2022 by Professor Joseph Stiglitz, Nobel-prize economist. Professor Stiglitz spoke on the topic, 'The Economic Benefits of Trade Unions.' With such a high-profile inaugural lecturer, the series is off to a great start.

NORDIC

**POLICY
CENTRE**

● Nordic Policy Centre

Some of the happiest, healthiest and wealthiest countries are the Nordic nations of Sweden, Finland, Denmark, Norway, and Iceland. What's their secret?

Our Nordic Policy Centre aims to introduce Nordic policy ideas into the Australian policy debate, to help broaden the horizons for what is possible when it comes to solving some of Australia's most intractable problems.

This year, we hosted a series of special webinars featuring a range of experts from Australia, Finland, Norway, Sweden, Iceland and Denmark.

We explored how putting equity at the heart of education drives excellence in Finland; how Norway comes in number one for press freedom and the concerning crackdowns on investigative journalists and whistleblowers in Australia; how Denmark has made its cities healthier by making it easier and safer for pedestrians and cyclists to get around; as well as how Australia invented gender budgeting and how Iceland has used parental leave, in particular, paternity leave to drive outstanding gender equality outcomes.

We want to thank all of the experts who participated:

+ **Jenny Wik Karlsson**

CEO & Senior legal adviser at Sámiid Riikasearvi (National Association of Sámi in Sweden)

+ **Chris Croker**

Managing Director, Impact Investment Partners and First Nations Clean Energy Network Steering Group

+ **Rod Campbell**

Research director at the Australia Institute

+ **Dr Marian Baird**

Professor of Gender and Employment Relations, Co-Director of The Women, Work and Policy Research Group at the University of Sydney Business School and a Fellow of the Academy of Social Sciences in Australia

+ **Ásdís Arnalds**

Director of the Social Science Research Institute at the University of Iceland

+ **Emeritus Professor Andrew Scott**

Convenor at the Australia Institute's Nordic Policy Centre

+ **Marianne Weinreich**

Market Manager, Ramboll Smart Mobility; Chair, Cycling Embassy of Denmark

+ **Dr Sandro Demaio**

Chief Executive Officer, VicHealth

+ **Professor Eli Skogerbø**

Co-director of POLKOM - Center for the Study of Political Communication, Professor at the Department of Media and Communication, University of Oslo.

+ **Pasi Sahlberg**

Professor of Education, Southern Cross University

+ **Correna Haythorpe**

Federal President, Australian Education Union

NORDIC TALKS

INSPIRE TO ACT

Curious conversations, meaningful events and an inspirational podcast about global sustainability

PODCAST

EVENTS

LISTEN TO THE LATEST EPISODE

In this episode, we explore the crucial role of Indigenous communities in the green transition. From the Arctics to Australia, we examine how Indigenous voices must be heard to strike a balance between the pursuit of the "green gold rush" and the preservation of cultural heritage and human rights.

From hundreds of worldwide events, we are delighted that our March event on The Role of First Nations communities in the Clean Energy Transition was selected to feature in the official Nordic Talks podcast.

Featuring Jenny Wik Karlsson, CEO and Senior Legal Adviser at Sámiid Riikasearvi (National Association of Sámi in Sweden), Chris Croker, Managing Director, Impact Investment Partners and First Nations Clean Energy Network Steering Group and our Research Director Rod Campbell, we explored how Sweden and Australia can better balance the competing interests between the 'green gold rush' and the interests of First Nations communities.

As the housing crisis bites, our research explored alternative models for home ownership, including housing cooperatives, with our report Homes for People, which gained widespread media coverage.

“

Public housing doesn't have to be high-rise, it doesn't have to be run down, it can be high-quality housing, and is in very many countries in the world, including in major cities like Oslo in Norway and Copenhagen, Denmark

”

- Professor Andrew Scott, on ABC TV

Nordic



NORDIC TALKS

The Australia Institute Nordic Policy Centre

NORDIC TALKS AND THE AUSTRALIA INSTITUTE'S NORDIC POLICY CENTRE PRESENT

THE ROLE OF FIRST NATIONS COMMUNITIES IN THE CLEAN ENERGY TRANSITION

JENNY WIK KARLSSON
CEO & SENIOR LEGAL ADVISOR
SÁMIID RIIKASEARVI

&

CHRIS CROKER
MANAGING DIRECTOR, IMPACT INVESTMENT PARTNERS
FIRST NATIONS CLEAN ENERGY NETWORK
STEERING GROUP

Policy Centre

NORDIC TALKS

The Australia Institute Nordic Policy Centre

NORDIC TALKS AND THE AUSTRALIA INSTITUTE'S NORDIC POLICY CENTRE PRESENT

BREAKING THE ICE CEILING
GENDER EQUALITY IN ICELAND AND AUSTRALIA

DR MARIAN BAIRD
PROFESSOR OF GENDER AND EMPLOYMENT RELATIONS

&

ÁSDÍS ARNALDS
DIRECTOR, SOCIAL SCIENCE
RESEARCH INSTITUTE UNIVERSITY OF ICELAND

NORDIC TALKS

The Australia Institute Nordic Policy Centre

NORDIC TALKS AND THE AUSTRALIA INSTITUTE'S NORDIC POLICY CENTRE PRESENT

PEDALLING HEALTH
HEALTHY AND SUSTAINABLE CITIES IN DENMARK AND AUSTRALIA

MARIANNE WEINREICH
CHAIR, CYCLING EMBASSY OF DENMARK;
MARKET MANAGER, RAMBOLL SMART MOBILITY

&

DR SANDRÓ DEMAIO
CHIEF EXECUTIVE OFFICER, VICHEALTH

NORDIC TALKS

The Australia Institute Nordic Policy Centre

NORDIC TALKS AND THE AUSTRALIA INSTITUTE'S NORDIC POLICY CENTRE PRESENT

THE VALUE OF A FREE PRESS
SUPPORTING PUBLIC INTEREST JOURNALISM IN NORWAY AND AUSTRALIA

PROFESSOR ELI SKÖGERBØ
CO-DIRECTOR, POLKOM CENTER FOR THE STUDY OF POLITICAL COMMUNICATION, UNIVERSITY OF OSLO

&

DR MARIA RAE
SENIOR LECTURER IN POLITICS AND POLICY, DEAKIN UNIVERSITY

NORDIC TALKS

The Australia Institute Nordic Policy Centre

NORDIC TALKS AND THE AUSTRALIA INSTITUTE'S NORDIC POLICY CENTRE PRESENT

A+ OR F- ?
EDUCATIONAL EQUITY IN FINLAND AND AUSTRALIA

PASI SAHLBERG
PROFESSOR OF EDUCATION
SOUTHERN CROSS UNIVERSITY

&

CORRENA HAYTHORPE
FEDERAL PRESIDENT
AUSTRALIAN EDUCATION UNION

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 our 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 in place for the Institute and to which both the board collectively and 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.

● Research Committee

The Research Committee approves the Institute's research priorities and activities funded by the Research Fund.

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 2022-23 were: Professor Jon Altman (resigned March 2023), Dr Hugh Saddler (deceased June 2023), Dr Richard Denniss, Emeritus Professor Alastair Greig, Professor Spencer Zifcak, Professor Hilary Bambrick and Associate Professor Elizabeth Hill.

● Management

Executive Director Ben Oquist (resigned July 2022), Executive Director Richard Denniss (appointed July 2022), Deputy Director Ebony Bennett, Chief Operating Officer Kathleen O'Sullivan, Research Director Rod Campbell and Chief of Staff Anna Chang led the day-to-day operations of the Australia Institute throughout 2022-23.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

**Annual
Report 22-23**

**The Australia Institute Limited
ACN 061 969 284**

The Australia Institute

Research that matters.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' REPORT

Your directors present this report on The Australia Institute (the "Company") for the financial year ended 30 June 2023.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr John McKinnon

Associate Professor Elizabeth Hill

Dr Elizabeth Cham

Mr Josh Bornstein

Mr Andrew Dettmer

Ms Alexandra Sloan AM

Professor Asmi Wood

Mr Charles Lanchester

Mr Ben Oquist (appointed July 2022)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of The Australia Institute Limited during the year was to conduct original research on a broad range of economic, social, transparency and environmental issues to inform public debate and secure policy outcomes that make Australia better. There have been no significant changes in the nature of this activity during the year.

Review of Operations

The surplus for the financial year amounted to \$2,026,744 (2022 surplus: \$335,724).

Events Subsequent to the End of the Reporting Period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

Information on Directors

The names of each person who has been a director of the Company at any time during or since the end of the financial year are:

Name Dr John McKinnon

Experience Dr McKinnon is an experienced company Director with a history of working in the non-profit and finance sectors.

Special Responsibilities Board Chair, Member of the Finance Committee

Name Associate Professor Elizabeth Hill

Experience Elizabeth is Associate Professor in the Department of Political Economy at the University of Sydney. She is Deputy Director of the Gender Equality in Working Life (GEWL) Research Initiative, co-convenor of the Australian Work and Family Policy Roundtable and co-convenor of the Body@Work Project. She is a leading researcher on the future of women, work and care in Australia and the Asian region, and has collaborated on research into gender equality, work and care with leading national and international institutions, including the International Labour Organisation and UN Women.

Special Responsibilities Member of the Research Committee, Chair of the Finance Committee, Chair of the Research Committee (appointed May 2023).

Name Dr Elizabeth Cham

Experience Dr Cham is the former National Director of Philanthropy Australia.

Dr Cham is the Chair ANZTSR (Australian and New Zealand Third Sector Research Association) and an Industry Professional Fellow, Business School, University of Technology Sydney

Name Josh Bornstein

Experience Mr Bornstein heads the National Employment & Industrial Law practice at Maurice Blackburn Lawyers.

Mr Bornstein is a member of the Advisory Board of the Centre for Employment and Labour Relations Law, University of Melbourne and Deputy Chair of the Racing Appeals and Disciplinary Board, Victoria. He is a member of the Victorian Racing Tribunal and a Director of Australians for a Murdoch Royal Commission.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Name	Andrew Dettmer
Experience	<p>Mr Dettmer is the National President of the Australian Manufacturing Workers Union.</p> <p>Mr Dettmer is Chair of the Australian People for Health, Education and Development Abroad (APHEDA) and a Director of TAFE Queensland; Jobs & Skills Australia and a member of the National Robotics Strategy Advisory Committee.</p>
Name	Alexandra Sloan AM
Experience	Ms Sloan AM is a former journalist and Chair of the ACT Selection Committee of the Winston Churchill Memorial Trust.
Special Responsibilities	Deputy Chair
Name	Professor Asmi Wood
Experience	<p>Professor Wood is a professor at the ANU Law School.</p> <p>Professor Wood was the ANU Indigenous Alumnus (2020), a Principal Fellow of the Higher Education Academy (UK)(2017) and is the recipient of numerous awards for education and teaching excellence.</p>
Name	Charles Lanchester
Experience	Mr Lanchester is Chief Investment Officer for Hearts and Minds Investments, and a Director of CJV Pty Ltd. Mr Lanchester is the Chair of SurfAid Australia, the Australian Fund Managers Foundation and Chrome Temple Investments.
Name	Ben Oquist
Experience	Mr Oquist is the former Executive Director of the Australia Institute and the Director of Climate and ESG at DPG Advisory Solutions. Mr Oquist was a panel member for the 2022 McKinnon Prize in Political Leadership.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' REPORT (continued)

Meetings of Directors

During the financial year, three meetings of directors were held. Attendances by each director were as follows:

Directors' Meetings

	Number eligible to attend	Number attended
Dr John McKinnon	3	3
Associate Professor Elizabeth Hill	3	3
Dr Elizabeth Cham	3	3
Mr Josh Bornstein	3	3
Mr Andrew Dettmer	3	2
Ms Alexandra Sloan AM	3	3
Professor Asmi Wood	3	2
Mr Charles Lanchester	3	2
Mr Ben Oquist	2	2

Directors appointments and resignations

Mr Ben Oquist	Appointed 22 July 2022
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THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' REPORT (continued)


Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 7 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director:

John McKinnon



Dated this 10th day of November 2023



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Canberra ACT 2601
PO Box 4390, Kingston ACT 2604
ABN 32 600 351 648
bellchambersbarrett.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER S60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF THE AUSTRALIA INSTITUTE LIMITED

As lead auditor of The Australia Institute Limited, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

- i. the auditor independence requirements as set out in 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.

James Barrett
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 10th day of November 2023

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Australia Institute Limited, the directors of The Australia Institute Limited declare that:

1. The financial statements and notes, as set out on pages 9 to 34, are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012* and:

- a. comply with Australian Accounting Standards - Simplified Disclosure; and
- b. give a true and fair view of the financial position of the Company as at 30 June 2023 and of its performance for the year ended on that date.

2. In the directors' 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.

Director:



John McKinnon

Dated this 10th day of November 2023

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue and other income	2	9,051,363	7,755,286
Advertising and marketing		(546,388)	(953,908)
Audit fees	17	(15,500)	(16,390)
Commissioned research		(489,708)	(692,906)
Depreciation and amortisation	3	(101,387)	(106,138)
Employment costs	3	(4,085,771)	(4,070,260)
Entertainment		-	-
Finance costs	3	(3,536)	(4,035)
Insurance		(62,545)	(59,588)
JobKeeper repayment		-	(407,400)
Occupancy		(71,865)	(70,330)
Polling		(92,006)	(139,703)
Professional fees		(123,991)	(215,666)
Travel and accommodation		(348,304)	(178,273)
Consultants		(564,887)	-
Other		(518,731)	(504,965)
Surplus for the year		2,026,744	335,724
Other comprehensive income		-	-
Total comprehensive income for the year		2,026,744	335,724

The accompanying notes form part of these financial statements.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

ASSETS	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	4,069,135	2,757,515
Trade and other receivables	5	71,888	27,022
Financial assets	6	6,539,576	6,022,301
Other assets	7	83,966	55,952
TOTAL CURRENT ASSETS		10,764,565	8,862,790
NON-CURRENT ASSETS			
Property, plant and equipment	8	150,577	170,729
Right of use asset	9	-	63,470
TOTAL NON-CURRENT ASSETS		150,577	234,199
TOTAL ASSETS		10,915,142	9,096,989
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	630,982	315,029
Provisions	11	387,109	522,474
Other current liability	12	1,968,829	2,274,745
Lease liabilities - Right of use asset	13	-	65,416
TOTAL CURRENT LIABILITIES		2,986,920	3,177,664
NON-CURRENT LIABILITIES			
Provisions	11	40,509	58,356
TOTAL NON-CURRENT LIABILITIES		40,509	58,356
TOTAL LIABILITIES		3,027,429	3,236,020
NET ASSETS		7,887,713	5,860,969
EQUITY			
Retained earnings		7,887,713	5,860,969
TOTAL EQUITY		7,887,713	5,860,969

The accompanying notes form part of these financial statements.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained earnings \$	Total \$
Balance at 1 July 2021	5,525,245	5,525,245
Comprehensive Income		
Net Surplus	335,724	335,724
Balance at 30 June 2022	5,860,969	5,860,969
Comprehensive Income		
Net Surplus	2,026,744	2,026,744
Balance at 30 June 2023	7,887,713	7,887,713

The accompanying notes form part of these financial statements.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Receipts from operations		8,570,767	8,109,737
Payments to suppliers and employees		(7,008,692)	(7,318,453)
GST refunded		197,231	42,535
Net cash generated from operating activities		1,759,306	833,819
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		153	1,830
Purchase of plant and equipment	8	(17,918)	(35,583)
Net cash (used in) investing activities		(17,765)	(33,753)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financial assets		260,676	317,903
Payment for financial asset		(621,645)	(267,902)
Payment of lease liabilities		(68,952)	(75,317)
Net cash (used in) financing activities		(429,921)	(25,316)
Net increase / (decrease) in cash held		1,311,620	774,750
Cash and cash equivalents at beginning of financial year		2,757,515	1,982,765
Cash and cash equivalents at end of financial year	4	(4,069,135)	(2,757,515)

The accompanying notes form part of these financial statements.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Australia Institute Limited (the Company) applies Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 10 November 2023 by the directors of the Company.

Accounting Policies

a. Revenue and Other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Operating Grants, Donations and Bequests

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Revenue and Other income (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest Income

Interest income is recognised using the effective interest method.

Other Income

Other income is recognised on an accruals basis when the Company is entitled to it.
All revenue is stated net of the amount of goods and services tax.

b. Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

c. Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Depreciation

The depreciable amount of fixed assets purchased prior to 1 July 2019 are depreciated via the diminishing value method over the asset's useful life to the Company commencing from the time the asset is held ready for use.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation (continued)

All assets purchased from 1 July 2019, are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is ready for use.

The depreciation rates used for these assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Office fit-out	10%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Leases

The Company as lessee

The Company has adopted AASB 16 Leases under the modified retrospective approach, with the effect of initially applying AASB 16 recognised at 1 July 2019. The Company has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases in the prior year under AASB 117 Leases where the Company is the lessee.

The Company as a lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

The lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

(i) *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; or
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

(ii) *Financial liabilities*

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. Financial Instruments (continued)

Impairment

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired, the Company measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event); and
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

f. Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows - that is, they are specialised assets held for continuing use of their service capacity - the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g. Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as part of current trade and other payables in the statement of financial position.

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i. Trade and Other Debtors

Trade and other debtors include amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

j. 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flow included in receipts from customers or payments to suppliers.

k. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Critical Accounting Estimates and Key Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Key Estimates

(i) *Useful lives of property, plant and equipment*

As described in Note 1(c), the Company estimates the useful lives of fixed assets to determine the appropriate depreciation rates to apply

m. Economic Dependence

The Company relies on donations for a significant proportion of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that donations will not continue to support the Company.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. New and Amended Accounting Standards Adopted by The Australia Institute

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

The Entity adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements

AASB 2022-3: Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

AASB 2022-3 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusions also document the Board’s decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value.

The adoption of the amendment did not have a material impact on the financial statements.

o. Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

o. Fair Value of Assets and Liabilities (continued)

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability).

In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Company's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

p. Changes in Accounting Policies

In the previous financial year, the client recognised some donations received as income in advance. In the current year, the client has recognised all donation funding received as revenue upon receipt in accordance with *AASB 1058 Income of Not-for-Profit Entities*. The impact of this is that some donations received in prior financial years has been recognised as revenue in the current financial year.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: REVENUE

Revenue	Note	2023 \$	2022 \$
Commissioned research		112,500	132,194
Donations*		8,563,421	7,504,483
Interest received		98,196	42,535
Australian Government Stimulus		-	8,571
Unrealised gain on investments		58,110	-
Other income		219,136	67,503
Total revenue		9,051,363	7,755,286

* \$1.020m was donated in the 2022-2023 financial year to fund projects with expenditure committed in 2023-24 and future financial years.

NOTE 3: SURPLUS FOR THE YEAR

Expenses	Note	2023 \$	2022 \$
Employee benefits expense:		4,085,771	4,070,260
▪ Contribution to defined contribution superannuation funds		385,012	357,061
Depreciation and amortisation		101,387	106,138
Interest expense on lease liabilities		3,536	4,035

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT	Note	2023 \$	2022 \$
Cash at bank	18	4,069,135	2,757,515

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT	Note	2023 \$	2022 \$
Trade receivables		25,630	17,262
Other receivables		46,257	9,760
Total current trade and other receivables	18	71,888	27,022

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. There has been no provision for impairment of receivables during the years ended 30 June 2023 or 30 June 2022.

NOTE 6: FINANCIAL ASSETS

CURRENT	Note	2023 \$	2022 \$
UEthical - Cash Unit Trust	18	2,499,920	2,452,488
Bank Australia - Term Deposits	18	3,100,000	3,350,000
Ethinvest - Investment	18	919,843	200,000
Bank Guarantee		19,813	19,813
Total current assets		6,539,576	6,022,301

NOTE 7: OTHER ASSETS

CURRENT	Note	2023 \$	2022 \$
Prepayments		83,966	55,952

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Note	2023 \$	2022 \$
Office fit out - at cost		117,920	117,920
Less accumulated depreciation		(45,665)	(34,618)
Total Office fit out		72,255	83,302
Plant and equipment - at cost		219,573	204,018
Less accumulated depreciation		(141,251)	(116,591)
Total plant and equipment		78,322	87,427
Total property, plant and equipment		150,577	170,729

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment \$	Office fit out \$	Total \$
Balance at the beginning of the year	87,427	83,302	170,729
Additions	17,765	-	17,765
Disposals	-	-	-
Depreciation write back	-	-	-
Depreciation expense	(26,870)	(11,047)	(37,917)
Carrying amount at the end of the year	(78,322)	(72,255)	(150,577)

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 9: RIGHT OF USE ASSET

The Australia Institute's lease portfolio includes a leasehold building. The lease term is five years. The lease commenced 1 June 2019 and expired 31 May 2023, with potential to extend the lease for an additional five years. The client has entered a new arrangement with the lessor from 1 June 2023 which does not involve a lease agreement but instead lease payments are made monthly.

i. AASB 16 Related amounts recognised in the balance sheet

Right of use asset	2023 \$	2022 \$
Leased premises	-	132,710
Less accumulated amortisation	-	(69,240)
Total right of use asset	-	63,470

ii. AASB 16 Related amounts recognised in the statement of profit or loss

	2023 \$	2022 \$
Amortisation expense	(63,470)	(69,240)
Finance costs	(3,536)	(4,035)
	(67,006)	(73,275)

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT	2023 \$	2022 \$
Trade payables	326,491	137,370
Other payables	303,938	154,083
GST and PAYG payable	553	23,576
Total trade and other payables	630,982	315,029

Financial liabilities at amortised cost classified as trade and other payables	Note	2023 \$	2022 \$
Trade and other payables:		630,982	315,029
Less: GST and PAYG payables		(553)	(23,576)
Financial liabilities as trade and other payables	18	630,429	291,453

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11: PROVISIONS

CURRENT	2023 \$	2022 \$
Provision for employee benefits: long service leave	117,287	180,948
Provision for employee benefits: annual leave	269,822	341,526
	387,109	522,474
NON-CURRENT		
Provision for employee benefits: long service leave	40,509	58,356
Total trade and other payables	427,618	580,830

Analysis of total provisions	Annual Leave \$	Long Service Leave \$	Total \$
Opening balance 1 July 2022	341,526	239,304	580,830
Accrued leave	407,758	65,585	473,343
Leave taken	(479,465)	(147,090)	(626,555)
Balance at 30 June 2023	269,819	157,799	427,618

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12: OTHER CURRENT LIABILITY

CURRENT	2023 \$	2022 \$
Income in advance	1,968,829	2,274,745
	<hr/>	<hr/>
	1,968,829	2,274,745

NOTE 13: LEASE LIABILITIES

CURRENT	\$	\$
Lease liability - Right of use asset	-	65,416

NOTE 14: CONTINGENT LIABILITIES

No contingent liabilities were identified in the financial year.

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Company during the year are as follows:

	\$	\$
Key management personnel compensation	1,184,184	918,820

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year ended 30 June 2023 the following related party transactions were identified (2022: nil):

CURRENT	2023 \$
Donations received from Board members	5,530
Donations received from entities where a Board member is a director	1,922,050
Payments to entities where a Board member is an employee	120,000
	<hr/>
	2,047,580
	<hr/>

The payments to entities where a Board member is an employee relate to payments to a consulting firm's work in communicating the findings of the Institute's research to external stakeholders.

NOTE 17: AUDITOR'S REMUNERATION

	2023 \$	2022 \$
Remuneration of the auditor:		
auditing and reviewing the financial statements other	13,950	13,500
other	1,550	2,890
	<hr/>	<hr/>
	15,500	16,390
	<hr/>	<hr/>

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	Note	2023 \$	2022 \$
Cash and cash equivalents	4	4,069,135	2,757,515
Loans and receivables	5	71,888	27,022
Investments and term deposits	6	6,519,763	6,002,488
Total financial assets		10,660,786	8,787,025
Financial liabilities	Note	2023 \$	2022 \$
Financial liabilities at amortised cost:			
Trade and other payables	10	630,429	291,453
Total financial liabilities		630,429	291,453

NOTE 19: FAIR VALUE MEASUREMENTS

Net fair values of financial assets and financial liabilities are materially in line with carrying values.

NOTE 20: COMPANY DETAILS

The Company is registered and domiciled in Australia. The registered office and principal place of business of the Company at 30 June 2023 is:

The Australia Institute Limited
Level 1, Endeavour House
1 Franklin Street
Griffith, ACT 2603



p (+61 2) 6239 5011
e admin@bellchambersbarrett.com.au
Level 3, 14 Childers St,
Canberra ACT 2601
PO Box 4390, Kingston ACT 2604
ABN 32 600 351 648
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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE AUSTRALIA INSTITUTE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of The Australia Institute Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *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 registered entity in accordance with the ACNC Act and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* 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.

Liability limited by a scheme approved under Professional Standards Legislation



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE AUSTRALIA INSTITUTE LIMITED

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

The directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'James Barrett'.

James Barrett
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 10th day of November 2023

