VOTES CHANGE THE GOVERNMENT.

IDEAS CHANGE THE COUNTRY.

The Australia Institute

2021-22 ANNUAL REPORT

The Australia Institute
Research that matters.

Corporate Information

The Australia Institute Limited presents its Annual Report for the financial year 2020-21

CORPORATE INFORMATION

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NGO director and philanthropist

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2017 ACT Citizen of the Year;
Journalist, facilitator and MC

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Annual Report 2021-22

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About
The Australia Institute

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

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

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

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

Our Goal.

The Australia Institute provides intellectual and policy leadership. We conduct research that drives the public debate and secures policy outcomes that make Australia better.

We design work and 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 a better, more informed democratic debate.

‘The Most Consequential Think-Tank in Australia’

Letter from the Chair — John McKinnon

As one reads through this report, it is impossible not to be impressed or even overwhelmed by the scope and significance of the Institute’s work. From economics to climate change to integrity in government and more, The Australia Institute is at the centre of debates, driving the agenda and achieving outcomes for a more just and equitable Australia.

It is near impossible to select just one highlight, but I do want to mention one event that encapsulated for me just how important this organisation is. In July 2022 we hosted Nobel Prize winning economist Professor Joseph Stiglitz in Australia. The Professor met with key political leaders and organisations, discussing the role of government, the need for revenue and the importance of reducing inequality. I was privileged to be at one such event where a significant Australian political leader described The Australia Institute as “the most consequential think tank in Australia”

That comment, for me, sums up why we exist. It is not enough to do great quality research across a wide range of important issues. What matters is consequences. The key question is: what happens as a result of our research? Do policies change? Does Australia become a fairer and more just place than it would otherwise have been? There is plenty of evidence, as you will read in this report, that the answer is a resounding “yes”. Our research does matter. It does produce results. Australia is changed.

Furthermore, that comment highlights that the Institute plays a vital role in Australia’s public life. We live at a time of enormous challenges – addressing climate change and the associated transition to a low carbon economy; the economic challenges of high inflation and low wage growth with growing inequality; record low trust in politics; and geo-political disruptions with a European war and concern over the role of China in the world. It is easy to get dispirited at the enormity of such challenges. However, I take great comfort that The Australia Institute exists and is speaking powerfully into such situations with high quality research and effective communications and advocacy. In times of great challenges, we need consequential institutions.

The Overton Window is a concept to define the spectrum of acceptability of governmental policies. The idea being that politicians can act only within the acceptable range. To move the Overton Window is to make ideas from outside this range, that is, outside the range of acceptability, and bring them inside — making them politically palatable. That is exactly what The Australia Institute has done on a number of fronts.

Achieving “net zero emissions” via carbon credits produced by nature-based methods was the bi-partisan approach to climate change policy. While this allowed fossil fuel companies to continue to increase emissions while applying a fig leaf of government backed carbon neutrality, it was largely unchallenged. It was The Australia Institute, along with Professor Andrew MacIntosh of the Australian National University, who challenged this orthodoxy and as a result there is now a government inquiry into such schemes.

Similar, but perhaps even more entrenched, is the attitude to tax. The neoliberal consensus was that tax was bad and taxes could only be cut. It was The Australia Institute that shifted the debate to the other side of the coin, namely revenue, and made the case that taxes could be good. This became particularly relevant as energy companies began making super-profits as a result of the war in Ukraine and the Stage 3 tax cuts came into clearer view. While the new government has not yet acted on either front, clearly the debate has changed with the majority of Australians now in favour of properly taxing energy exports and funding key government services.

However, perhaps the most significant event of the year is a sad one. Ben Oquist, our Executive Director since 2015, decided to step down from that role and move into consulting and government relations. I cannot overstate what a pleasure it has been to work with Ben over my tenure as chair. He has not only presided over incredible growth in size, breadth and effectiveness of the Institute but he has become a valued personal friend and collaborator in the wider mission of making Australia a fairer and more just country. While Ben will not be lost to the Institute, his day-to-day stewardship of the organisation will be missed. I want to thank Ben for his enormous contribution over the past eight years and wish him great success in his new venture. As I said, he is not totally lost to us, and we will find ways to continue to collaborate on the big issues that affect our country.

While Ben’s departure left a big hole, it was bittersweet as we were able to welcome back Dr Richard Denniss into the leadership role. Richard had been Chief Economist since 2015. In that role he became a prolific speaker and writer and played a significant role in the Institute’s success. He has come back into the Executive Director role with a level of energy and enthusiasm that will see the Institute continue and even accelerate its trajectory of effectiveness. It has been a pleasure to work with Richard throughout the nine years of my involvement with the institute and I look forward with absolute confidence to the future.

It is at times of change that boards show their true worth and I must thank all my board colleagues for their contributions. Overseeing leadership transitions can be fraught but it is hard to imagine a smoother transition and credit must go not only to Ben and Richard but to the whole board.

I must also acknowledge the staff. The team has grown significantly but they are people of the highest quality, evidenced by their output and outcomes. I congratulate them on all they have achieved and thank them for their role in making the leadership transition so seamless.

Finally, I want to thank the people who make all this possible — our donors. The institute is primarily funded by donations. Some are large, many are small, but all are valued. Without you, none of this happens and so a big thank you from all of us at The Australia Institute. Your donations have consequences. Thank you.

Letter from the Executive Director
Ben Oquist

The theme of this year's annual report, is that while elections change governments, it is ideas that change the country.

That simple truth is at the heart of what we do at the Australia Institute. And it was certainly true in this election year.

As an independent think-tank, we do not campaign for or against any individual candidate, but you can be sure we were hard at it doing what we do best — barracking for good ideas.

Australia has just witnessed the most transformative election since 1972. The implications are profound, and the opportunities strong.

The election of the 77 seat narrow majority for Labor masks a much bigger move for climate action and for integrity. While 77 seats sounds close, when it comes to climate and democracy & accountability, you can add the Greens and Teals and it is not close at all — it is a super majority for climate action and a super majority on greater integrity in our democracy.

The election outcome was driven by many factors, but central to driving public and policy debates is fact-based evidence-rich research — strategically deployed. Many of the debates or ones that the Australia Institute has helped foster: from integrity, the need for a strong anti-corruption watchdog with teeth, economic analysis and debate that too often missed the real world implications of the slow wage growth and inequality, to — of course — climate change, where our climate & energy program has been central to shifting narratives and policy outcomes. Showing that votes changed the government, but ideas can change the country.

Election campaigns can speed up and intensify policy debates. Whether it is the democratic imperative to improve our parliamentary processes, the huge economic risks and opportunities associated with climate change, a skewed economy, or the need for a stronger tax and revenue base for Australia — the election campaign will present opportunities and threats.

That's why the Australia Institute has had a busy year — as you will see in this year's annual report — we believe politics can and should be a force for good.

This will, however, be my last executive director's report for the Australia Institute.

I have been honoured to work for the Australia Institute for the last eight years. It is the best job in the country. I owe the Australia Institute board an enormous debt of gratitude for giving me that opportunity for so long. The team of researchers, strategists and communicators at the Institute are the best in the country. I am incredibly proud of them all.

However, it is time for me to take up a new challenge where I plan to continue to help make politics work for good.

I am delighted that friend and Australia Institute chief economist, Dr Richard Denniss, has agreed to come back as Executive Director. It was a privilege to take the reins from Richard as he stepped into the chief economist role to focus on his writing and become one of Australia's leading public intellectuals, and I can think of no better person to take over as Executive Director.

The Australia Institute cannot barrack for good ideas — developed with thorough fact-driven research — without your support. And we could not help put those ideas into practice — with smart political and communications strategies — without your support. So thank-you to the supporters of the Australia Institute for making all this work possible.

Research at a Glance

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

In 2021-22, we produced over 147 research pieces, including over 118 research reports, 29 submissions to government inquiries and project assessment processes, and one National Energy Emissions Audit.

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

147
Research Pieces

118
Research Reports

1
National Energy Emissions Audits

29 Submissions to Government Inquiries & Project Assessments

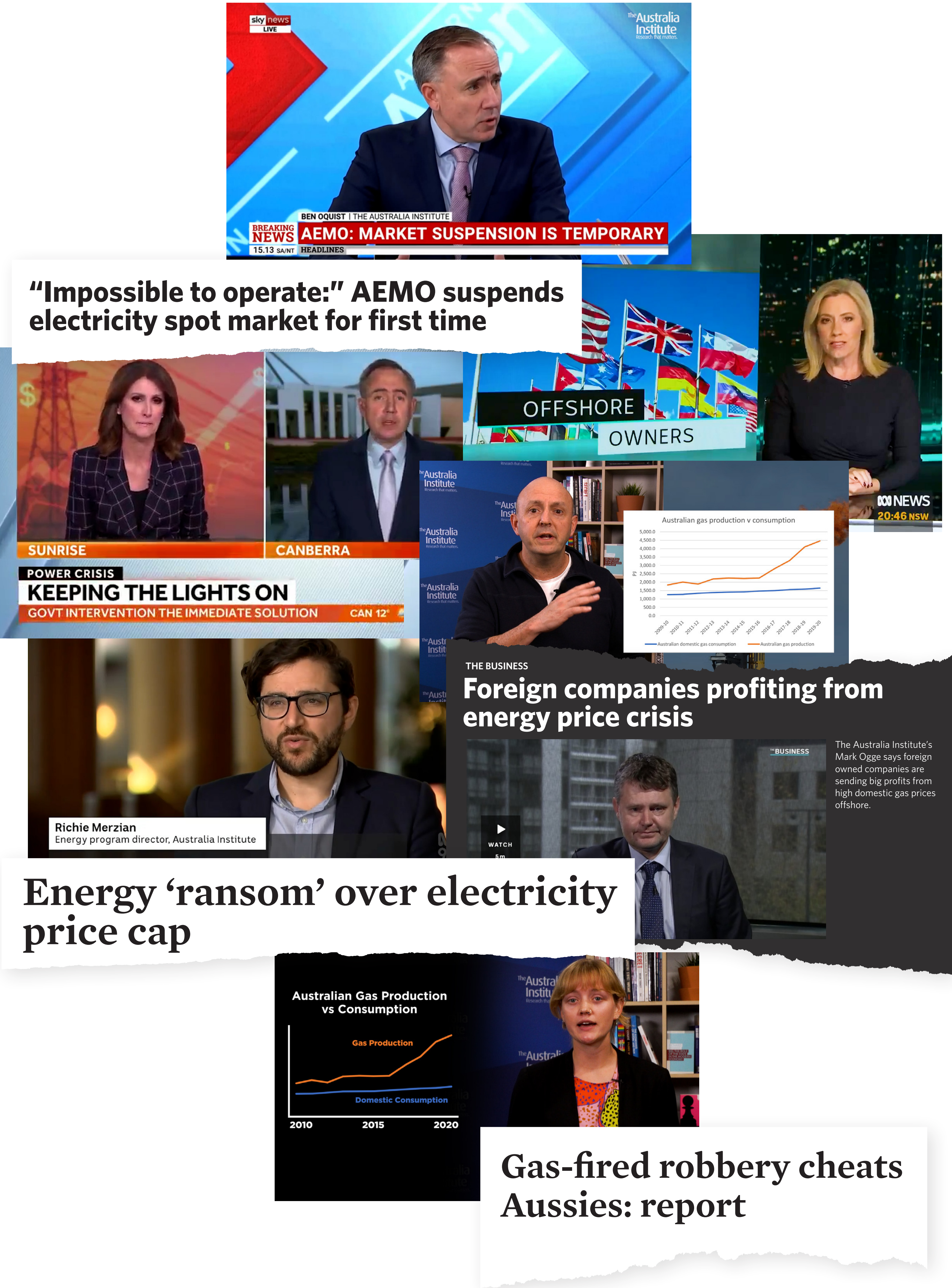
Media at a Glance

161.7 million
Total Cumulative Audience

7,730
Press Clip Mentions

Syndicated to
26,680
different bands, frequencies and websites

$204.4 million
ASR value (Advertising Space Rate)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BEN OQUIST | THE AUSTRALIA INSTITUTE
BREAKING NEWS
AEMO: MARKET SUSPENSION IS TEMPORARY
15.13 SA/NT
HEADLINES
"Impossible to operate:" AEMO suspends electricity spot market for first time
SUNRISE
CANBERRA
POWER CRISIS
KEEPING THE LIGHTS ON
GOVT INTERVENTION THE IMMEDIATE SOLUTION
CAN 12°
OFFSHORE
OWNERS
ABC NEWS
20:46 NSW
Australian gas production v consumption
PJ
Australian domestic gas consumption
Australian gas production
THE BUSINESS
Foreign companies profiting from energy price crisis
The Australia Institute's Mark Ogge says foreign owned companies are sending big profits from high domestic gas prices offshore.
BUSINESS
WATCH
Richie Merzian
Energy program director, Australia Institute
Energy 'ransom' over electricity price cap
Australian Gas Production vs Consumption
Gas Production
Domestic Consumption
2010
2015
2020
Gas-fired robbery cheats Aussies: report

Gas Price Crisis

Long before the current gas crisis reached its peak, the Australia Institute has released a drumbeat of research and analysis, building on a decade of previous work, that reframed the so-called 'gas shortage' as a gas export problem "Australia doesn't have a gas supply problem, we have a gas export problem".
We have used the gas price crisis strategically to expose major problems with Australia's gas industry, including:

- How little tax or royalties the industry pays, despite high profits and revenue
- High levels of foreign ownership
- High emissions and low employment

The Australia Institute has helped ensure that gas proponents pushing the idea that building more gas pipelines and opening new gas fields are the solution were directly challenged during the crisis. We believe our work has exposed the gas industry's strategies and this has damaged its credibility and social license.

We have also been challenging the many false climate solutions that are being pushed by gas and coal companies, including dirty hydrogen (marketed as 'clean hydrogen') and carbon capture and storage and this work will need to continue.

"The Australia Institute raised concerns, but I take the concerns raised very seriously and I've said the same to the Australia Institute..."

— Minister Chris Bowen
Minister for Climate Change & Energy

No False Solutions

In the first six months of 2022, our Climate & Energy program focused on exposing serious concerns about the integrity of our carbon credits system, pushing back against the so-called 'gas shortage', as well as challenging false climate solutions like CCS and dirty hydrogen.

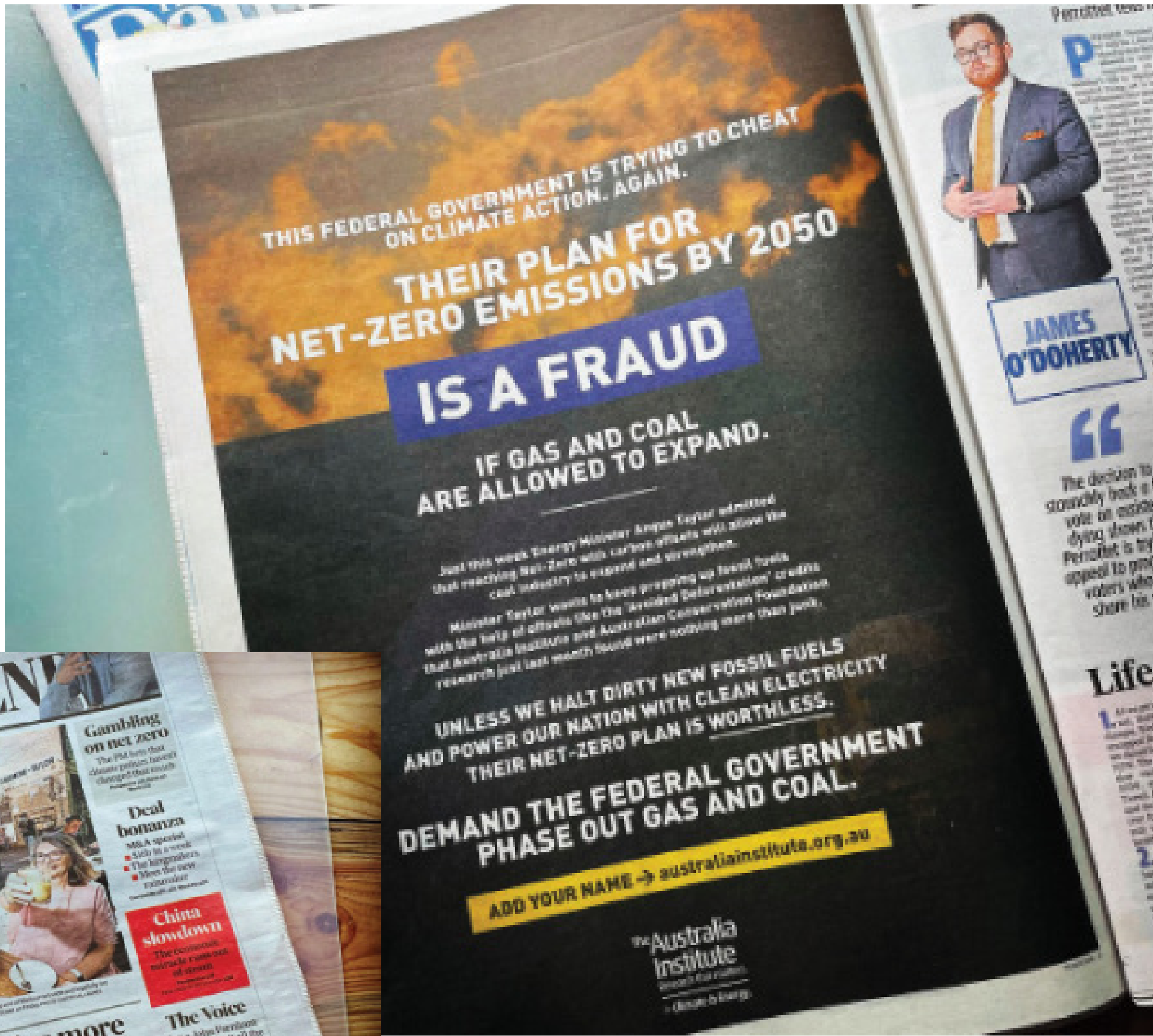
A series of research reports raised serious concerns about the integrity of Australia's carbon credits scheme and emissions abatement, including that:

Australia's $4.5bn emissions reduction fund (ERF) has failed to cut emissions and requires urgent review to avoid wasting billions more of public money.

When designing the ERF CCS method, the Clean Energy Regulator consulted almost exclusively with fossil fuel companies and big emitters, while actively excluding independent researchers.

Government efforts to increase the supply of affordable carbon offsets in Australia could allow big emitters to justify maintaining or increasing their emissions. What was framed by the government as an administrative exercise could have resulted in significant adverse environmental impacts. The Australia Institute brought attention to the proposed changes which were ultimately abandoned by the government, which retained the excluded projects list in its update to the Carbon Farming Initiative (Excluded Offsets Projects) Rule.

We have seen some direct impact and tangible achievements from our work. Our research put the issue of the lack of integrity in Australia's carbon market on the national agenda, despite pushback from some in the climate movement, and new Climate Change Minister Chris Bowen announced a review at the National Press Club, referencing the Australia Institute's research directly.



Net Zero Emissions by 2050 is a Fraud

As COP26 approached, the Australia Institute knew the Morrison government was preparing the ground for a big announcement of a target of net zero emissions by 2050 for Australia. Though several other organisations wished to welcome the announcement as progress, the Australia Institute knew it was critical to expose the fact that any commitment to net zero emissions by 2050 would be a fraud if gas and coal were allowed to keep expanding. Importantly, this had to be done before the announcement of the target.

We created a 30-second TV ad and raised funds from our supporters to put it on commercial TV nationally in the weeks before Glasgow. The ad exposed the fraud behind the net zero commitment and successfully changed the government's narrative, with the press challenging the government's fossil fuel investments. Overwhelmed by the response, we also ran a full-page ad in the Daily Telegraph and a strip ad in the Financial Review, setting the stage for Glasgow.

THIS FEDERAL GOVERNMENT IS TRYING TO CHEAT ON CLIMATE ACTION. AGAIN.

THEIR PLAN FOR NET-ZERO EMISSIONS BY 2050

IS A FRAUD

IF GAS AND COAL ARE ALLOWED TO EXPAND.

Just this week Energy Minister Angus Taylor admitted that reaching Net-Zero with carbon offsets will allow the coal industry to expand and strengthen.

Minister Taylor wants to keep propping up fossil fuels with the help of offsets like the 'Avoided Deforestation' credits that Australia Institute and Australian Conservation Foundation research just last month found were nothing more than junk.

UNLESS WE HALT DIRTY NEW FOSSIL FUELS AND POWER OUR NATION WITH CLEAN ELECTRICITY THEIR NET-ZERO PLAN IS WORTHLESS.

DEMAND THE FEDERAL GOVERNMENT PHASE OUT GAS AND COAL.

ADD YOUR NAME → australiainstitute.org.au

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

A MESSAGE TO WORLD LEADERS // UN MESSAGGIO PER I LEADER INTERNAZIONALI

DON'T LET AUSTRALIA CHEAT ON CLIMATE CHANGE

NON LASCIATE CHE L'AUSTRALIA IMBROGLI SUL CAMBIAMENTO CLIMATICO

AUSTRALIA IS NOT TRANSITIONING AWAY FROM FOSSIL FUELS IT IS INCREASING ITS DEPENDENCE ON THEM.

L'Australia non si sta allontanando dalle energie fossili, Sta aumentando la sua dipendenza da esse.

Since 2005 Australia's pollution from producing and burning gas and coal have gone up, not down.

Since the Paris climate talks in 2015, Australia has opened the enormous Adani coal mine, become the world's third largest exporter of fossil fuels and funded a so-called 'gas led recovery' to covid-19.

Dal 2005, l'inquinamento prodotto dall'Australia dalla combustione di gas e carbone sta crescendo, non diminuendo. Dalla Conferenza sul Clima di Parigi nel 2015, l'Australia ha aperto l'enorme miniera di carbone Adani, diventando it terzo esportatore al mondo di combustibile fossile e finanziando un cosidetto "recupero trainato dal gas" in risposta al Covid-19.

THE AUSTRALIAN GOVERNMENT IS NOT COMMITTED TO CLIMATE ACTION, IT IS COMMITTED TO FOSSIL FUELS.

IL GOVERNO AUTRALIANO NON È IMPEGNATO IN AZIONI PER IL CLIMA, È IMPEGNATO A PROMUOVERE I COMBUSTIBILI FOSSILI.

Photo above: depicts then-Treasurer now Prime Minister Scott Morrison handing Deputy Prime Minister Barnaby Joyce a lump of coal during Question Time in the House of Representatives at Parliament House in Canberra, 9 February 2017.

[1] Australia measures emissions from the production, processing, transport, storage, transmission and distribution of fossil fuels (coal, crude oil and natural gas) as 'fugitive emissions'. The National Greenhouse Gas Inventory shows that fugitive emissions have increased from 10.2 Mt CO2e in March 2005 to 13.4 Mt CO2e in March 2021.

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> Climate & Energy.

australiainstitute.org.au

Don't Let Australia Wreck Glasgow

On the back of the success and penetration of our net zero fraud message in Australia, we took our message global. We organised three separate full-page print ads in international newspapers. The day the Prime Minister landed in Rome for the G20 meeting he was greeted by a full-page ad 'Don't let Australia cheat on climate change' in Italy's leading financial newspaper. On the first day of COP26, the Australia Institute set the international COP26 news agenda, with two ads in Scottish newspapers, creating a wave of global media interest in Australia's fossil fuel subsidies and project pipeline.

This public intervention, as well as the Australia Institute's research showing 100+ planned new gas and coal projects in Australia would result in almost 1.7 billion tonnes of CO_2e emissions annually – equivalent to building over 200 new coal power stations, helped the Australia Institute influence the way Australia and the COP overall was perceived by the international media and Richie Merzian did countless interviews with both domestic and international media – always highlighting Australia's fossil fuel expansion plans, completely at odds with the goals of COP26.

LET'S PUT SOUTH AUSTRALIA ON THE FAST-TRACK TO AN ELECTRIC VEHICLE FUTURE

To the Marshall Government and Members of the South Australian Parliament

We have an opportunity to put South Australia on the fast-track to an electric vehicle future and build on our state's reputation as the renewable energy powerhouse of Australia.

Unfortunately, the Marshall Government has been threatening to introduce an Electric Vehicle Tax that will delay our state's transition to clean transport.

It is a sad day for SA, where we were once famous for our cars, to now be looking at taxing them instead.

While the Government has shown some willingness to support EVs and reduce cost of living pressures on South Australians by delaying their tax to 2027 and introducing small, temporary purchase incentives, it's clear that much more needs to be done.

The Marshall Government should now commit to properly supporting the EV sector by also permanently abolishing stamp duty, to bring down the cost of electric vehicles, just as the Coalition Government in New South Wales has done.

EVs will help to tackle climate change, lower our daily transport costs, get us off foreign oil and improve the quality of the air that we breathe. But seven in 10 South Australians say that they will be less likely to buy an EV if the Government introduces their new tax.

South Australia is already lagging behind the rest of the world on EVs and, if this tax goes ahead without adequate support for new car buyers, it will only make things worse.

Please don't pull the handbrake on EVs in SA. Bringing down the cost of clean cars by abolishing Stamp Duty on EVs is the right thing to do.

Electric Vehicle Council
Mitsubishi Motors
Volkswagen Group Australia
ACE
evee
Simon Hackett
South Australian technology entrepreneur
Conservation Council SA
SolarCitizens
Smart Energy Council
Solar, Storage, Smart Energy
Doctors for the Environment Australia
The Australia Institute
Research that matters.

A Rich Man's World: Stage 3 Tax Cuts Overwhelmingly Benefit High Income Men

Our research revealed that the largest part of the Federal Government's tax plan will overwhelmingly benefit older, high-income men – despite the Government's attempt to highlight how much young women have to gain.

In fact, the Stage 3 tax cuts due to come into effect 2024-2025 will see men get twice as much of a tax cut benefit as women, with over half going to the top 10% of income earners – overwhelmingly men.

Stage 3 tax cuts, worth $184 billion, will see women get 33 percent of the tax cut, men get 67 percent of the tax cut. In short, for every $1 of the tax cut that women receive, men receive $2.

Furthermore, the top 10% of income earners receive 50% of the benefit, and almost three-quarters of the benefit (72%) will got to the top 20 percent. Meanwhile, the 50% of income earners will get only 5% of the tax cuts, and the bottom 20% will get nothing at all.

Australia Institute research, analysing the Stage 3 tax cuts by occupation also revealed that the tax cuts would give those earning more than $200,000, such as bank CEOs, surgeons, and federal politicians a windfall tax cut of $9075.

Meanwhile those earning less than $45,000 will get nothing from the stage 3 tax cuts, with aged workers, disability carers, bakers, hairdressers and minimum wage workers among those worst off, getting $0.

The proposed Stage 3 tax cuts will see those earning more than $200,000 raking in the biggest benefit, while those on less than $45,000 will receive nothing.

Worse still, when the Low- and-Middle-Income Tax Offset (LMITO) ends, middle-income earners like teachers, nurses and midwives will pay $1080 more in tax.

Electric Vehicles Tax

When the multiple state governments announced intentions to introduce an EV road user charge (EV tax), the Australia Institute picked South Australia as the most strategic intervention. We engaged with The Treasurer, the Opposition Leader, the Greens, and a range of cross bench MPs to explain the problems the tax. We created new research, state-wide polling, and brought together a collection of concerned vehicle manufacturers, environment organisations and EV groups to argue against the tax. Following our considerable engagement with individual members of Parliament, the Government was forced to amend its legislative package on multiple occasions, adding incentives for EV purchases and delaying the introduction of the tax by six years. Ultimately, the EV Tax did pass the Parliament, but in a considerably improved form from what was originally proposed. In a final, significant development, the SA Labor Leader used an Australia Institute EV event to announce that, if they win the State Election later this month, they will repeal the EV Tax.

Not All Taxes Are Created Equal

The Australia Institute outlined five key principles that would serve to help evaluate the merits of different taxes.

Taxation is the price we pay to live in a civilisation, however, with such a great number of tax possibilities, it is increasingly important to evaluate our taxation choices.

The report sets out five principles that will help evaluate the strengths and weaknesses of different taxes.

As the economy recovers from the pandemic, Australia will soon need to have a conversation about what we should tax and what the right amount of tax is.

While many are concerned about the size of our taxes, consideration must also be given to the shape of our taxes because as this research shows, not all tax measures are created equal.

The tax debate is awash with the voices of the self-interested. What Australian policymakers need are solid tools to evaluate the pros and cons of different taxes, to sort the self-interest and ideology from the genuine constructive policy advice.

Australia taxes wealth lightly compared to other OECD nations. With inequality in Australia only getting worse, we need a debate and better policies about taxing wealth properly and reducing inequality rather than exacerbating it.

The 5 Principles to Evaluate Merits of Taxes

// Principle 1

The tax measure should minimise changes in behaviour, unless it is a behaviour is something that as a society we would like less of (e.g. smoking), in which case it should be effective at changing that behaviour

// Principle 2

The tax measure should reduce inequality

// Principle 3

The tax measure should be levelled on those who are best able to pay

// Principle 4

The tax measure should be simple to comply with, simple to administer and easy to understand, and

// Principle 5

The tax measure should be difficult for those it is levelled on, to avoid

Tony Burke vows to 'fix' parliament as crossbench demands reform

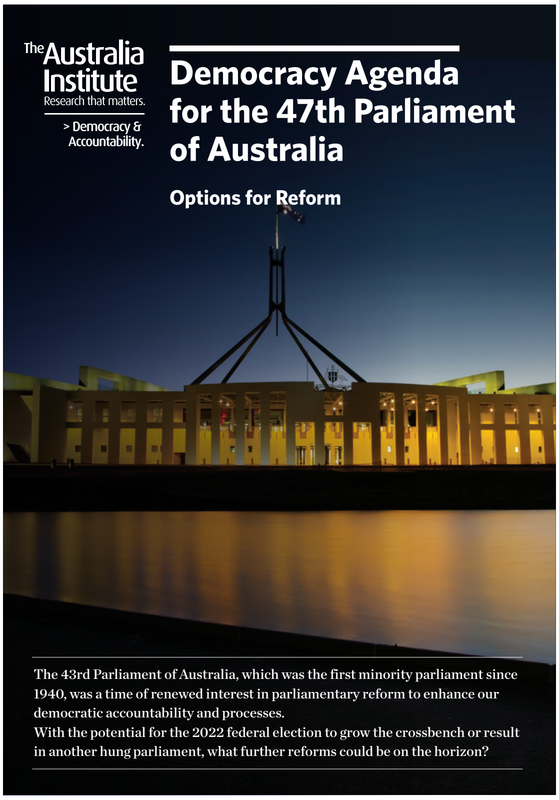
Democracy Agenda for the 47th Parliament

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 47 th Parliament: over 40 proposed reforms to bring a measure of integrity and representativeness to our democracy.

Proposals include:

- A federal ICAC with teeth
- Truth in political advertising laws
- Code of Conduct for MPs
- Ministerial diaries to be made public
- Reforms to Question Time
- Private Members' business to be voted on
- A ban on political fundraising events at Parliament House

Journalists reported that the agenda has already been used in negotiations between the crossbench and the newly-elected Albanese Government.



Truth in Political Advertising

A priority for the Australia Institute this year was seeing truth in political advertising laws implemented around the country.

In September 2021, the Victorian Electoral Matters Committee recommended that Victoria adopt truth in political advertising laws, in a report that cited the Australia Institute's research extensively.

The state government and opposition have voiced in principle support for the reforms, giving hope that they can be legislated ahead of the 2022 state election.

The same month, The Australia Institute and Human Rights Law Centre held an independent roundtable on truth in political advertising for academics, former politicians and civil society, to discuss problems and solutions for truth in politics. The following month, an Australia Institute open letter from 39 prominent Australians put the case for truth in political advertising laws back on the agenda.

The Australia Institute used its exit poll to learn about the prevalence of misleading advertising during the 2022 federal election. Disturbingly, three in four voters (73%) came across political ads that they knew to be misleading during the campaign, with most seeing at least one such ad a week.

Nine in 10 (86%) Australians agreed that truth in political advertising laws should be in place by the next election.

An Open Letter to the Parliament of Australia calling for truth in political advertising laws

Dear Australian Parliament

Each election has seen more allegations of false and misleading advertising and online misinformation than the one that preceded it.

Now, politicians of all political parties have acknowledged that something needs to change.

Regulating the truth is not impossible.

Last year, the Australian Capital Territory passed truth in political advertising laws with the unanimous support of Labor, Liberal and Greens parliamentarians. The laws are based on South Australia's laws, which have operated successfully since the 1980s.

The Australia Institute's research over five years shows that nine in 10 Australians want Parliament to pass truth in political advertising laws, with virtually no difference between Coalition, Labor, Greens and One Nation voters.

Australians want advertising to be truthful and transparent.

They expect the media to self-regulate, but they also want laws that would penalise misleading and deceptive political ads with fines, forced retractions or loss of public funding. The COVID-19 pandemic has highlighted the importance of Australians having confidence in their leaders and political institutions.

But we face an upcoming federal election in which fake news and misleading claims about political opponents will only further erode trust in government.

We urge you to pass truth in political advertising laws that are nationally consistent, constitutional and uphold freedom of speech.

The Hon David Harper AM QC
Former judge, Supreme Court of Victoria Court of Appeal

The Hon Anthony Whealy QC
Former judge, Supreme Court of NSW Court of Appeal

Nicholas Cowdery AO QC FAAL
Former Director of Public Prosecutions, NSW

Geoffrey Watson SC
Barrister and Director of the Centre for Public Integrity

Robert Richter QC
Barrister; former Chairman of the Criminal Bar Association; former President of Victorian Council of Civil Liberties

Professor Charles Sampford
Foundation Dean of Law and Research Professor in Ethics, Griffith University; Director, The Institute for Ethics, Governance and Law; Barrister

Dr David Morawetz
Founder and Director, Social Justice Fund

Professor Graeme Orr FASSA, FAAL
Professor, UQ Law School

Professor Meredith Edwards AM
Emeritus Professor, Institute for Governance and Policy Analysis, University of Canberra

Professor Spencer Zifcak
Allan Myers Chair of Law/Professor of Law, Australian Catholic University

Dr Klaas Woldring
Former Associate Professor, Southern Cross University

Professor Kate Auty
University of Melbourne

Professor Peter Doherty AC
Nobel Prize in Physiology/Medicine 1996; Australian of the Year 1997; Laureate Professor

The Hon Dr Carmen Lawrence
Former Premier of Western Australia; former Federal Cabinet Minister

Dr John Hewson AM
Crawford School, Australian National University; former Leader of the Opposition

The Hon Kevin Rozzoli AM
Former Speaker, NSW Parliament

Cheryl Kernot
Former Leader, Australian Democrats; Fellow, Centre for Social Impact

Caroline Le Couteur
Former Member of the ACT Legislative Assembly

Professor John Langmore AM
Former Member for Fraser; Professorial Fellow, School of Social and Political Sciences, University of Melbourne

Dr Fergus Green
Lecturer in Political Theory & Public Policy, University College London

Emeritus Professor Julianne Schultz AM FAHA
Founding editor, Griffith Review; Professor, Griffith Centre for Social and Cultural Research

Professor Lisa Hill FASSA
Professor of Politics, Politics and International Relations, University of Adelaide

Dr JF Pixley
Honorary Sociology Professor, Macquarie University

Lisa Forrest
Olympian and Author

Tony Windsor AM
Former Member for New England

Cathy McGowan AO
Former Member for Indi

Maxine McKew
Hon Enterprise Professor University of Melbourne

Sally McManus
Secretary, Australian Council of Trade Unions

Gordon Ramsay
CEO, Alliance for Gambling Reform

Fiona McLeod AO SC
Chair, Accountability Round Table

Alice Drury
Senior Lawyer, Human Rights Law Centre

Bill Browne
Senior Researcher, Australia Institute Democracy & Accountability Program

Eva Cox AO
Adjunct Professor, Jumbunna Institute for Indigenous Education & Research

Dr Valarie Sands
Chair, Australian Citizens Against Corruption; Member, Accountability Round Table

Angela Smith
Member, Accountability Round Table

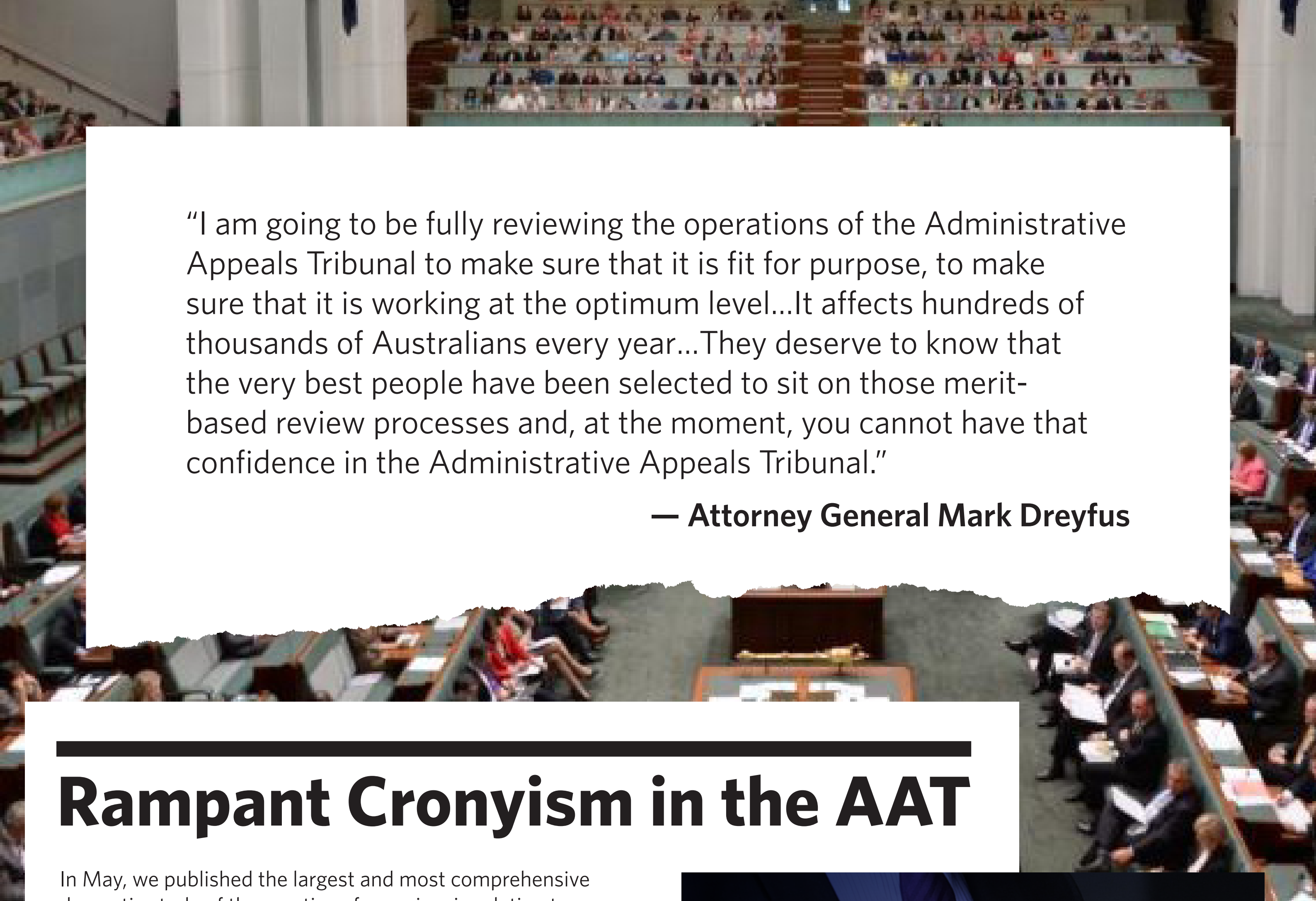
Ross Knowles
Chairman, Ethinvest

Dr Cameron Hazlehurst
Chairman, The Ethicos Group

Joshua Jones
Barrister

Kiera Peacock
Partner, Marque Lawyers

The Australia Institute
Research that matters.
> Democracy & Accountability.

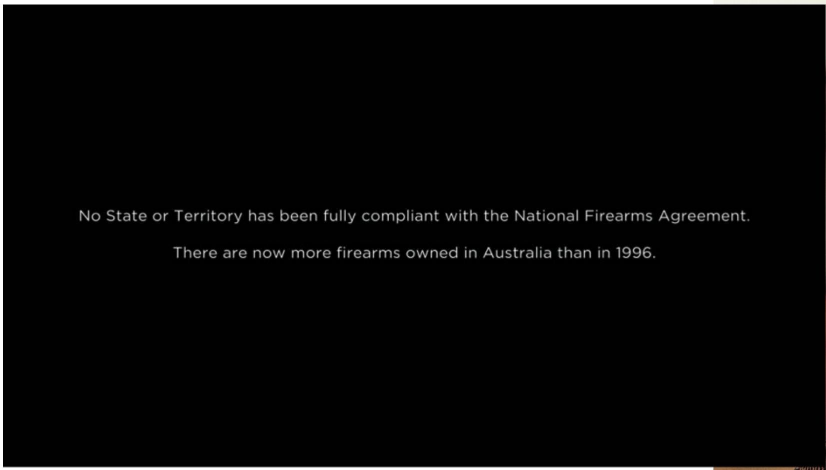


> "I am going to be fully reviewing the operations of the Administrative Appeals Tribunal to make sure that it is fit for purpose, to make sure that it is working at the optimum level...It affects hundreds of thousands of Australians every year...They deserve to know that the very best people have been selected to sit on those merit-based review processes and, at the moment, you cannot have that confidence in the Administrative Appeals Tribunal."
>
> **— Attorney General Mark Dreyfus**

Rampant Cronyism in the AAT

In May, we published the largest and most comprehensive domestic study of the practice of cronyism in relation to appointments to a government agency ever conducted. This detailed deep dive report investigated every single appointment made to the Administrative Appeals Tribunal (AAT) since 1996 – almost 1,000 appointments in total. It found the proportion of political appointments to the AAT has increased from 5-6% under the Howard, Rudd and Gillard Governments, to 32% under the Abbott/Turnbull/Morrison Government. The report found these political appointments are much more likely to have no legal qualifications than non-political appointments, despite AAT decisions having to consider facts, questions of law, and policy.

Our landmark report about rampant cronyism in AAT appointments generated considerable media at the time and on the Law Report on ABC Radio National, Attorney General Mark Dreyfus recently confirmed he would be reviewing the AAT and its appointments.



From the Back Catalogue: Gun Control

Australia Institute findings on the Australian gun lobby and gun ownership appeared in two major broadcasts last year: the Big Deal documentary and the feature film Nitram, about Martin Bryant and the Port Arthur Massacre in 1996.

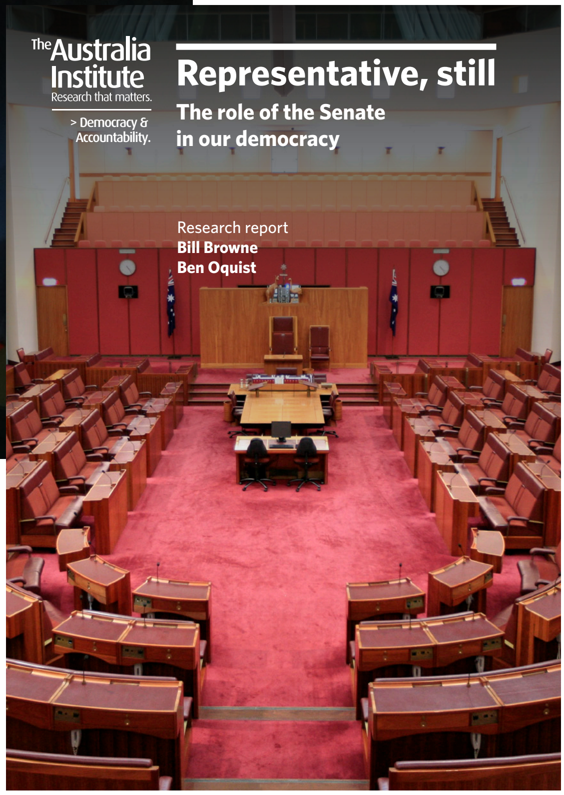
The title cards at the end of Nitram warn:

There are now more firearms owned in Australia than in 1996.

This echoes a warning in the Australia Institute's 2019 report *Hunters and Collectors*. Director Justin Kurzel pointed to the report's findings when describing his motivations for making the film:

> *However, [director Justin] Kurzel says a large part of his reason for making the film is there are now more guns in Australia than there were in 1996. The Australia Institute reports there were 3.6 million firearms in 2017, compared with 3.2 million prior to the NFA.*

The Christiaan van Vuuren/Craig Reucassel documentary Big Deal also included the Australia Institute's Point blank report on the size and strategy of Australia's firearms lobby.



Senate Lecture

In February 2022, Ben Oquist and head of the Democracy & Accountability Program Bill Browne were invited by the Department of the Senate to deliver a lecture in Parliament based on their Representative, Still research paper. Ben and Bill used the opportunity to discuss the Senate's new role in protecting our democracy, by holding the government to account and bringing diversity and proportionality to Parliament.

Territory Rights & Voluntary Assisted Dying

The Australia Institute partnered with the Canberra Times to hold a successful Politics in the Pub event with members of all sides of politics to discuss the battle to restore ACT and NT's right to legislate for voluntary assisted dying (VAD). This event helped kick off the Canberra Times' campaign on the issue, serving to both highlight the Australia Institute's longstanding polling research on the issue, and also the importance of local media in championing issues important to local regional communities, such as Canberra.

We also released key polling research that found most Australians support the territories having the right to legislate for voluntary assisted dying (VAD), over 25 years after this right was taken from them and after all six states passed VAD laws.

The Albanese Government made a private member's bill on the issue a priority in the first weeks of the new parliament.

Books: Setting the National Agenda

Our researchers published no less than five books in the past year. Our chief economist Richard Denniss authored Big: The Role of the State in the Modern Economy, as well as a new edition of Econobabble. Allan Behm, head of our International & Security Affairs program wrote No Enemies, No Friends diagnosing a deep insecurity at the heart of Australia's failing national security settings. Peter Lewis & Jordan Guiao from our Centre for Responsible Technology co-edited The Public Square Project - a new blueprint for a more democratic digital space. Finally, Andrew Scott & Rod Campbell co-edited The Nordic Edge', to which several staff contributed chapters, alongside other policy experts including former Swedish foreign minister Margot Wallström.

Laura Tingle: *They were talking about a big role for government, and we seem to be frightened of saying 'big role for government' in Australia these days.*

Peter Malinauskas: *Well not after the pandemic, we've never had a bigger role for Government.*

And what we saw as Australians – in a way that we haven't seen for decades, Laura – invest their confidence in Governments.

And let's be honest, there's been challenges, but over the last two years it served us pretty well as a nation, like our Federation has largely worked and largely responded to a crisis with an extraordinary degree of success across the political divide. So while there's pitfalls and challenges, and while covid has exacerbated some of our economic challenges in terms of the operation of government and people's willingness to put faith in Government – that occurred. There's an investment that has largely paid off and that's why I think the electorate are now looking to the future and saying: right, let's do it again. But let's get a bigger long term return. It's not just about worrying about saving lives tomorrow , let's talk about setting lives up for the next generation.

Our Expanded Digital Presence

The digital presence and impact of the Australia Institute has continued to grow. In 21-22, we published 1,103 videos across all platforms, which were watched over 1.9 million times.

In the second year of Australia Institute TV, the reach and breadth of our video content has expanded.

Our YouTube channel grew by 84%, we started a TikTok channel and increased our presence on Instagram to follow a changing social media landscape, and deliver important, informative content to new audiences. We started a new series, *Facts Fight Back* and continued our popular shows *Spin Bin* and *Ask an Economist*, debunking spin and explaining what is actually going on with some of the big issues of the year, such as dispelling the myth of the gas-fired recovery, showing how economic modeling can be used to twist facts to suit an agenda, and more. Our Climate and Energy explainer series also played a key part in contributing to public knowledge of issues like dirty hydrogen, dodgy CCS and other false solutions that comprised the Morrison Government's 'net-zero fraud'. Our mini-series *Good COP Bad COP* paved the way to COP26, exposing Australia's history of dodgy climate diplomacy and analysing the Government's climate plan.

We continued our popular webinar series, featuring guests such as former foreign minister of Sweden Margot Wallström, the Prime Minister of the Independent State of Samoa the Honourable Fiame Naomi Mata'afa, ACT Chief Minister Andrew Barr MLA, Hon Chris Bowen MP, Greens Leader Adam Bandt MP, Australian actor Erik Thomson, ACTU Secretary Sally McManus, to name a few.

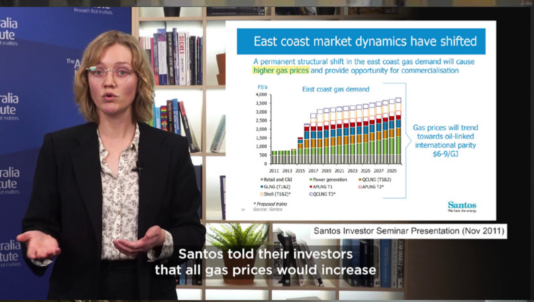
We also started a new webinar series in partnership with Guardian Australia and Essential Media: *Poll Position*, unpacking the big political issues and the latest polling trends with Katharine Murphy, Political Editor at Guardian Australia, Peter Lewis, Executive Director at Essential Media, hosted by Ebony Bennett. Ebony has also continued to host *Follow the Money*, our weekly podcast series which explains Australia's big economic issues in plain English.

Since the new Australia Institute studio went live in March 2021, it has helped us to produce amazing digital content. Comparing the 9 months pre and post studio, video impressions quadrupled to 1.8 million, YouTube subscribers tripled to 5.95K subscribers in November 2021.

Our webinar series, hosted by deputy director Ebony Bennett, continues to be popular and in 2021 we spoke with:

- The Hon. Fiam Naomi Mata'afa, Prime Minister of Samoa
- Andrew Barr, Chief Minister of the ACT
- Malcolm Turnbull AO, former Prime Minister of Australia
- Chanel Contos, Sexual Assault Activist
- Authors Richard Flanagan, Bri Lee & Rick Morton

INTRODUCING



The Australia Institute Tasmania

Electoral law reform

When the gambling industry poured money into advertising to influence the outcome of the 2018 state election in their favour, the community demanded greater transparency on political donations. In May 2022, the government finally tabled draft legislation to introduce a political donations regime for the first time in Tasmania.

In the last 12 months, the Institute has made several interventions to this process, including through research, polling, a submission and public and political engagement. Our polling found 73.3% of Tasmanians do not support political donations from industries such as the gambling industry. Multiple polls over the last 12 months found more than eight in ten Tasmanians (83-87%) want truth in political advertising laws, compared to 5% who do not. National polling over the last five years supports this.

Tasmania a climate leader?

Australia Institute research found that Tasmanians want to be climate leaders. It also found Tasmania could position itself as a global leader if it follows up on its commitment to net zero by 2030 with meaningful sector-based emission reduction plans.

Other opportunities for broader reforms include guiding principles for action, deadlines for the development of plans, and establishing an independent Climate Change Authority. Recommendations arising from the Institute's research into climate policy finds that with its head start in renewable energy generation, Tasmania should now prioritise emissions reductions in high emitting sectors. Electrifying transport, buildings, and industry, as well as reducing residential and industrial gas use, and offsetting agricultural emissions will be key to Tasmania's climate transformation.

Salmon farming, fishing and marine protection

This is another space in which the Australia Institute Tasmania is leading public debate. Through several interventions, including political engagement, research, state-wide polling, and by bringing together experts and concerned community members, the Institute has highlighted the evidence of the impacts of salmon farming and solutions.

Unfortunately, salmon farming is just one of the pressures currently facing our ocean. Tasmania has depleted fish stocks, ignored flow-on effects, threatened species and paltry habitat protection. The current management regime is fragmented and failing.

This, alongside pollution, climate change and no State of the Environment Report since 2009 call for fundamental improvement.

Tasmania's main marine law is being reviewed for the first time in 26 years, representing a once in a generation opportunity for change. The Review is scheduled to run into late 2023 and will continue to be a key focus of our work in Tasmania. We have an ambitious agenda to help determine the future of ocean management for Tasmania.

Anne Kantor Fellowship

The Tasmanian placement of an Anne Kantor Fellow has been a huge success. The Fellow, Rachel Hay, has undertaken research across a wide variety of Institute projects and tasks, while also providing secretariat support to the Tasmanian Independent Science Council. They 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.

"Writing my own report after just four months, releasing it and having the reception it did was an incredible experience. The ability to walk around parliament house meeting with politicians from all political spectrums has been one of the most mind-blowing experiences of my life to date" – Rachel Hay, Anne Kantor Fellow

THE VOICE OF TASMANIA

We're for you

MERCURY

THURSDAY, MARCH 10, 2022

$2.50

TOOTHLESS TIGER

Tassie watchdog one of weakest

N THE RACE

RETURN TO HOBART: SPORT

An Integrity Commission with teeth

In March 2022, the timely release of research into the jurisdictional, funding and secrecy issues in the Integrity Commission Tasmania was a major intervention.

It dominated discussion in Parliament and achieved consensus-bar-one with support for our findings from Labor, Green and Independent MPs.

We chose to intervene amid questions about parliamentarians' integrity and a Ministerial resignation in light of an alleged ministerial conflict of interest.

The report revealed that Tasmania's anti-corruption body is one of the lowest funded in Australia, with some of the weakest powers, fewest investigations, and most restricted jurisdictions.

The government subsequently announced it is considering reforms to the Integrity Commission Act 2009. **ls**

Candidates' forums

An informed, engaged community helps drive better politics. To this end, the Institute held Meet your candidates forums around the state during the Federal election this year. The theme for these forums was Integrity in politics.

The Institute's success in elevating the importance of integrity can be seen in the positive responses to these events.

The Australia Institute South Australia

The Australia Institute's third year in South Australia has seen the organisation grow its influence regarding policy development, while building its presence in the state's public debates on climate change, energy, transport, transparency, and the Murray Darling Basin.

A significant portion of the South Australian office's work this year related to electric vehicle policy in the state, which included the hosting an EV open day - the largest public event the office has held to date.

Through our engagement, the tone of conversation regarding electric vehicles in SA was improved and, as a result, the previous government's EV Tax is now being repealed. A highlight of the year was SA Labor making the election commitment at our event.

Another significant event in the South Australia calendar was sponsoring a day of Planet Talks at WOMADelaide in March. It was great to have Richard join our panel 'Electric Future Now' with other notable speakers on 'Should Children Get the Vote?' Both thought provoking discussions that were well attended.

The Australia Institute's polling continued to generate significant media interest, analysing the state's response to COVID-19 and the expenditure of public funds to improve health outcomes in South Australia.

South Australian Anne Kantor Fellow, Kate McBride, has been an extremely valuable addition to our small team in South Australia. As well as supporting all the work above, she has undertaken and released her own research on issues surrounding water and the Murray Darling Basin Plan, garnering considerable media coverage and MP engagement.

Centre for Future Work

This year was a pivotal time for labour economics and policy debates in Australia, including during the federal election in May. Indeed, one of the most pivotal moments in that election occurred when the Labor Party leader, Mr Albanese, suggested that the national minimum wage should be increased by as much as the rate of consumer price inflation. This sparked an intense debate, which featured heated claims from his opponents, and business representatives, that such a move would be economically irresponsible. Our Centre had conducted a great deal of research on the dimensions, causes, and consequences of Australia's sustained pattern of wage stagnation over recent years, and we were well-placed to make a significant contribution to that debate – arguing that pro-active measures to lift wages were not only feasible, they would be economically and socially beneficial. Indeed, the same day the debate broke open over Australia's minimum wage policy, our Centre published a major report, The Wages Crisis: Revisited, co-authored by Director Jim Stanford and two of Australia's leading labour law academics (Prof Andrew Stewart and Dr Tess Hardy). The report was an 80-page update to an earlier book published by the same editors in 2018, and it was very widely covered in the media given its obvious connection to the evolving election debate over wages.

In the end, most Australians supported the idea of lifting wages in the face of rising consumer prices: our exit polling immediately after the election (conducted in partnership with the Australia Institute's tracking polls) showed that a very large majority of voters (83%, including 79% of Liberal-National Coalition supporters) agreed that wages should be protected against the effects of rising inflation. While our engagement in these debates is always conducted in a strictly non-partisan manner, focusing on the issues (not the parties or the personalities), our research has had a visible impact in strengthening awareness of the problems afflicting Australia's workers, and sensible policies to help ameliorate them.

Another tangible outcome to which our Centre contributed significantly is the progress that has been made advancing policies to support workers who are victims of family and domestic violence. Our Centre has published several reports, submissions, and commentaries (the first appearing in December 2016) showing the modest economic cost, and substantial economic benefits, arising from paid leave programs to support victims of violence in addressing and escaping from their abusive situations. Last year the Centre's Director, Dr Jim Stanford, was asked to provide expert testimony to the Fair Work Commission's Modern Awards Review, which was considering the merits of 10 days' paid leave for victims of family and domestic violence. His expert report showed the costs of such an entitlement to employers would be too small to be meaningfully measured in Australia's overall economy and labour market (equivalent to an increase in total labour costs of one-sixtieth of one percent). Those costs would be easily overwhelmed by a wide range of economic benefits (including improved productivity, reduced 'presenteeism', stronger employee retention, and improved workplace safety) arising from efforts to support workers to address and escape from domestic violence. The Fair Work Commission concluded its review by recommending that 10 days' paid FDV leave be instituted as a standard provision of Modern Awards. Then, following the 2022 federal election, the new Commonwealth government quickly introduced legislation to enshrine this entitlement for all workers as a National Employment Standard. We are proud of the role we played in supporting this important and progressive reform in Australia's labour laws.

2021-22 Output

During the 2021-22 financial year, our cumulative publications included:

- 14 full reports.
- 11 briefing papers.
- 65 published commentaries and op-eds (over one per week on average).
- 11 academic peer-reviewed publications in various stages of publication (some published, some forthcoming).

Our research findings and policy proposals are disseminated through our presence in conventional media and other platforms. Our work generated over 500 unique media articles in 2021-22 (not including syndicated stories). Our social media presence continues to grow: our Twitter feed is now followed by over 9000 readers, surpassing many other larger, longer-established think tanks in Australia. Our staff gave over 100 public talks and lectures to various audiences – including union conferences and meetings, university classes and conferences, community groups, and others.

Some highlights of our activity during the past financial year include the following:

Omicron, Supply Chains, and the Human Foundation of the Economy: When COVID initially gripped the world, Australia boasted one of the best outcomes: lower infection, fewer deaths, and a faster, stronger economic recovery. That seeming victory was squandered, when purportedly in the name of 'protecting the economy', key political leaders (led by the Commonwealth and NSW governments) threw the doors open to the virus (with weakened infection-prevention and isolation practices) at exactly the wrong time: just as the super-infectious Omicron variant was taking hold. The resulting surge in infections was among the worst in the industrialised world (worse even than the U.S. and the U.K.). And the implications of the Omicron outbreak for work, workers, production, and the economy were both predictable and devastating. At peak, up to one-third of workers in the most-affected regions could not attend work: because they contracted COVID, were exposed to it, or must care for others (like children barred from child care and soon, possibly, schools).

Our Centre for Future Work team was very active in highlighting the risks of 'letting it rip', analysing the failures of the governments' isolation and income support programs, and reminding everyone that keeping workers healthy must be the first priority in keeping the economy healthy. Interventions by our team included:

• Centre for Future Work director Jim Stanford reminded policy-makers in a commentary in The Conversation that human labour is the critical input to production at all stages of value-added and supply chains, and if policy-makers acknowledged the centrality of work to the economy they would not have made such destructive choices. The article was reposted by the ABC, the Sydney Morning Herald, and other platforms, and viewed over a half-million times.

• Senior Economist Alison Pennington exposed the flaws in government isolation and testing systems. For example, she highlighted the perverse incentives created by the NSW government's punitive $1000 fine for failing to register a positive RAT test -- never mind the governments' failures to make tests available, and support workers (with necessary income benefits) to isolate. Her analysis was shared thousands of times, and featured in multiple news coverage (including News.com, The New Daily, and Yahoo Finance) of the flawed NSW policy.

• Economist Dan Nahum linked the surge in Omicron contagion to the spread of insecure work arrangements in Australian workplaces. And the Centre's previous work on how COVID has accentuated the rise of casual and insecure work shows that without urgent action to improve job quality, the labour market will be even more vulnerable to the inevitable future disruptions from this continuing crisis..

Manufacturing Electric Vehicles

Carmichael Fellow Dr Mark Dean published a major paper on the potential for Australia to rekindle a domestic vehicle manufacturing industry on the basis of the accelerating global transition to electric powered vehicles. The report covers several important dimensions of the issue:

• How an EV manufacturing strategy can add value to Australia's existing exports of primary resources – connecting them to innovative, sustainable manufacturing industries;

• Developing supply and value chain linkages to the global EV industry by increasing the capability for innovation and advanced manufacturing amongst small and medium-sized enterprises;

• The central role of Australia's vocational education systems in delivering sustainable industry-focused training and skills development, to provide workers with career pathways shaped by lifelong access to education and learning;

• How active government intervention can coordinate economic sectors in an innovative and strategically oriented industry policy driving sustainable economic and technological transformation;

• Understanding the importance of automotive manufacturing to our industrial future, its role in redesigning transport systems, investing in new technology and gearing production systems to meet social and environmental requirements.

To make the case for a national EV manufacturing policy, this paper reviews existing literature and presents relevant data to show that an EV industry in Australia is not just desirable – but it can also lead the sustainable transformation of Australia's economy.

The report generated very strong media coverage, and has led to several opportunities for policy engagement with business, government, and environmental groups to further the discussion over the possibility of EV manufacturing.

Workers' Shrinking Slice of the Economic Pie

Previous research by our Centre has exposed the unprecedented redistribution of national income from labour toward the owners of businesses. This redistribution of income accelerated during the pandemic: corporate profits surged (due to government subsidies, pent-up consumer spending, and now accelerating inflation) to the highest share of GDP in history (almost 30% in 2021), while labour compensation hit the lowest share in Australia's postwar history. With the help of the Australia Institute's communications team, we produced a 6-minute video (titled "Workers' Shrinking Slice of the Economic Pie") summarizing these trends, and identifying key policies that would protect workers' incomes and achieve a fairer economy.

Economics for Unionists

In 2021 the Centre recommenced teaching the intensive "Economics for Unionists" course we have offered for several years through the ACTU's Australian Trade Union Institute (ATUI). The course was were put on hold during the COVID pandemic, but we began teaching the course in a new online format later in 2021, completing three full sessions. The reception to our course is always very positive, and those strong endorsements carried over to the online version. The first in-person offering of our course since COVID took place in March in Brisbane; we continue to offer the course in both online and in-person formats.

Labour and Industry Special Issue

Alison Pennington and Jim Stanford coordinated the publication of a special issue of the peer-reviewed journal, Labour and Industry, containing a portfolio of new research on international collective bargaining systems. Combined, the research confirmed that Australia's industrial relations system is rapidly losing its ability to support wages in the face of numerous challenges (including the COVID pandemic).

The special issue included 13 papers by researchers and practitioners from five countries, identifying best practices from other countries that could strengthen collective bargaining and lift wages. The papers were developed as follow-up to a special stream of panels organised by the Centre in Queenstown, NZ, last year as part of the annual AIRAANZ conference (for industrial relations academics and researchers).

Key findings of the research include:

• The Ardern government in New Zealand has implemented a new sector-wide bargaining system (called 'Fair Pay Agreements') that could be a model for similar changes in Australia. It would enhance workers' ability to win more stable jobs and higher wages in highly fragmented industries (like security, cleaning or child care).

• New Zealand-style reforms could also improve the effectiveness of Australia's pay equity legislation. Recent changes in New Zealand's pay equity system prove that wider scope for bargaining can address persistent gendered pay discrimination. One recent enterprise agreement in Australia (covering public sector workers in Victoria) has already applied that model here.

• Nordic and continental European countries have used coordinated sectoral bargaining systems to enhance vocational training and technology adoption. Australia could learn from that experience to better integrate skills programs with secure job pathways.

• In Germany, a combination of sector-wide bargaining over wages and other core compensation, combined with workplace-level consultations (under that country's 'works council' system), produces employment outcomes that are both flexible and fair.

We also arranged for several of the articles to be available free access for 3 months. The release of the special issue was accompanied by coverage in The Australian; it is rare for this type of research to be covered in the mainstream media.

Our engagement in peer-reviewed research projects like this is an important way for the Centre to maintain its profile and credibility in the labour economics and industrial relations community. We also strive in these projects to draw in leaders and researchers from our partners in the trade union movement, who have relatively fewer opportunities to participate in this type of project.

Carmichael Centre

The Carmichael Centre started its operations in April 2021, and ramped up its activity to full speed during the 2021-22 financial year. It is dedicated to the pursuit of research and educational initiatives connected to the legacy of Laurie Carmichael, the former union leader who passed away in 2018. Dr Mark Dean serves as the Carmichael Distinguished Research Fellow, working out of Melbourne. He published two major research reports during the first full year of operation: one on the economic potential of electric vehicles as an opportunity for rebuilding Australian mass vehicle manufacturing capacity, and one on the importance of high-quality public vocational education in preparing for the expansion of early childhood education and care services in Australia. Other activities of the Carmichael Centre in its first year included the preparation of an 'Explainers Kit' of short, accessible summaries of relevant policy issues; a Women in Unions website featuring oral histories of prominent women trade unionists in Australia; numerous public talks and educationals, with a special focus on union members; and a new podcast series highlighting the political-economic dimensions of science fiction movies, and their insights on the future of work.

Corporate Governance

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

Our Corporate Governance Policy

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

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

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

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

Our Board of Directors

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

Research Committee

The Research Committee approves the Institute's research priorities and activities funded from 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 2021-22 were:
Professor Jon Altman, Dr Hugh Saddler, Dr Richard Denniss, Emeritus Professor Alastair Greig, Professor Spencer Zifcak, Professor Hilary Bambrick and Associate Professor Elizabeth Hill.

Management

Executive Director Ben Oquist, Deputy Director Ebony Bennett, Chief Operating Officer Kathleen O'Sullivan, Research Director Rod Campbell and Communications Director Anna Chang led the day to day operations of the Australia Institute throughout 2021-22.

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2022

The Australia Institute Limited
ACN 061 969 284

2021-22 FINANCIAL YEAR

The Australia Institute
Research that matters.

DIRECTORS' REPORT

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 2022.

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 (commenced 3 November)

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 $335,724 (2021 surplus: $1,603,976).

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 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
Name	Dr Elizabeth Cham
Experience	Dr Cham is the former National Director of Philanthropy Australia. Prior to this, Dr Cham has worked for several large Melbourne foundations including the Alfred Felton Bequest and the William Buckland Foundation. Dr Cham is the Chair, ANZTSR (Australian and New Zealand Third Sector Research Assoc) a regional network of scholars whose research focus is the not-for-profit sector and philanthropy and an Industry Professional Fellow, Business School, University of Technology Sydney
Name	Mr Josh Bornstein
Experience	Mr Bornstein heads the National Employment & Industrial Law practice at Maurice Blackburn Lawyers. Mr Bornstein is also 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 former director of State Trustees Ltd. In April 2020, Mr Bornstein was appointed a member of the National COVID-19 Coordination Commission Industrial Relations Advisory Group.
Name	Mr Andrew Dettmer
Experience	Mr Dettmer is the National President of the Australian Manufacturing Workers Union. Mr Dettmer sits on the boards of the Australian People for Health, Education and Development Abroad (APHEDA) and TAFE Queensland. Mr Dettmer is involved in Australian Industry Participation policy and vocational education and training policy,

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Name	Ms Alexandra Sloan AM
Experience	Ms Sloan AM is a former journalist, Deputy Chair of the ACT Writers Centre and the ACT Chair of the Winston Churchill Memorial Trust.
Special responsibilities	Deputy Chair
Name	Professor Asmi Wood
Experience	Professor Wood is a professor at the ANU Law School. 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.
Name	Charles Lanchester
Experience	Mr Lanchester is the head of Australian Fundamental Equities at BlackRock and has over 29 years' experience working as a fund manager. Mr Lanchester is also the Chair of SurfAid Australia, Chair of the Australian Fund Managers Foundation, Chair of Chrome Temple Investments and a Director CJV Pty Ltd.

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	3
Ms Alexandra Sloan AM	3	3
Professor Asmi Wood	3	3
Mr Charles Lanchester	2	2

Directors appointments and resignations

Mr Charles Lanchester Appointed 3 November 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 2022 has been received and can be found on page 6 of the financial report.

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

Director: ______________________
John McKinnon

Dated this 11th day of November 2022

Director: Elizabeth Hill.
Elizabeth Hill

Dated this 11th day of November 2022

AUDITOR'S INDEPENDENCE DECLARATION

p (+61 2) 6239 5011
e admin@bellchambersbarrett.com.au
Level 3, 44 Sydney Avenue
Forrest ACT 2603
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 2022 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, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 11th day of November 2022

DIRECTORS' DECLARATION

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 8 to 28, 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 2022 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

John McKinnon

Dated this 11th day of November 2022

Director: Elizabeth Hill.

Elizabeth Hill

Dated this 11th day of November 2022

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STATEMENT OF PROFIT & LOSS

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		$	$
Revenue and other income	2	7,755,286	7,019,098
Advertising and marketing		(953,908)	(568,391)
Audit fees	18	(16,390)	(14,750)
Commissioned research		(692,906)	(387,681)
Depreciation and amortisation	3	(106,138)	(97,348)
Employment costs	3	(4,070,260)	(3,268,781)
Entertainment		-	(24,966)
Finance costs	3	(4,035)	(2,899)
Insurance		(59,588)	(28,390)
JobKeeper repayment		(407,400)	-
Occupancy		(70,330)	(46,323)
Polling		(139,703)	(140,123)
Professional fees		(215,666)	(286,134)
Travel and accommodation		(178,273)	(96,095)
Other		(504,965)	(453,241)
Surplus for the year		335,724	1,603,976
Other comprehensive income		-	-
Total comprehensive income for the year		335,724	1,603,976

STATEMENT OF FINANCIAL POSITION

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,757,515	1,982,765
Trade and other receivables	5	27,022	105,810
Financial assets	6	6,022,301	6,140,204
Other assets	7	55,952	65,363
TOTAL CURRENT ASSETS		8,862,790	8,294,142
NON-CURRENT ASSETS			
Property, plant and equipment	8	170,729	173,826
Right of use asset	9	63,470	132,710
TOTAL NON-CURRENT ASSETS		234,199	306,536
TOTAL ASSETS		9,096,989	8,600,678
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	315,029	333,764
Provisions	11	522,474	442,883
Other current liability	12	2,274,745	2,125,160
Lease liabilities – Right of use asset	13	65,416	71,282
TOTAL CURRENT LIABILITIES		3,177,664	2,973,089
NON-CURRENT LIABILITIES			
Provisions	11	58,356	37,026
Lease liabilities – Right of use asset	13	-	65,318
TOTAL NON-CURRENT LIABILITIES		58,356	102,344
TOTAL LIABILITIES		3,236,020	3,075,433
NET ASSETS		5,860,969	5,525,245
EQUITY			
Retained earnings		5,860,969	5,525,245
TOTAL EQUITY		5,860,969	5,525,245

STATEMENT OF CHANGES IN EQUITY

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained earnings	Total
	$	$
Balance at 1 July 2020	3,921,269	3,921,269
Comprehensive Income		
Net Surplus	1,603,976	1,603,976
Balance at 30 June 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

STATEMENT OF CASH FLOW

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Receipts from operations		8,109,737	8,218,825
Payments to suppliers and employees		(7,318,453)	(5,420,667)
Interest received	2	42,535	25,710
Net cash generated from operating activities		833,819	2,823,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,830	1,100
Purchase of plant and equipment	8	(35,583)	(124,545)
Net cash (used in) investing activities		(33,753)	(123,445)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financial assets		317,903	-
Payment for financial asset		(267,902)	(4,119,813)
Payment of lease liabilities		(75,317)	(74,160)
Net cash (used in) financing activities		(25,316)	(4,193,973)
Net increase / (decrease) in cash held		774,750	(1,493,550)
Cash and cash equivalents at beginning of financial year		1,982,765	3,476,315
Cash and cash equivalents at end of financial year	4	2,757,515	1,982,765

NOTES TO THE FINANCIAL STATEMENTS

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 11 November 2022 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.

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

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. **Revenue and Other income (continued)**

- 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

Oher 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. **Property, Plant and Equipment**

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 depreciation rates used for these assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40%
Office fit-out	20%

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.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvement.

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 2022

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.

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).

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **Financial Instruments (continued)**

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 the date that the Company commits itself to either the purchase or sale of 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
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **Financial Instruments (continued)**

- 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
- 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 liabilities 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.

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.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **Financial Instruments (Continued)**

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.

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.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Impairment of Assets (continued)**

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.

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.

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.

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.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. **Trade and Other Debtors (continued)**

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.

l. **Critical Accounting Estimates and 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.

(ii) *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if The Australia Institute Limited is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if The Australia Institute Limited is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make. The Australia Institute Limited determines the likeliness to exercise the options on a lease by lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the Company.

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

l. **Critical Accounting Estimates and Judgements (continued)**

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(iv) *Going Concern*

The COVID-19 outbreak has impacted the way of life in Australia. In accordance with national guidelines, the Company implemented remote working arrangements in response to government requirements and to ensure the wellbeing and safety of employees and visitors.

The Company has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak. The Directors have determined that the Company remains in a healthy cash position.

It is not possible to reliably estimate the duration and severity of the impact of COVID-19, as well as the impact on the financial position and results of the Company for future periods. However, based on analysis of the financial performance and position the financial statements have been prepared on a going concern basis. The Company believes at this point in time that there is no significant doubt about the Company's ability to continue as a going concern.

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.

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

The Company has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (SD) framework. The application of this standard has resulted in reductions in disclosures compared to SD in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

o. **Fair Value of Assets and Liabilities (continued)**

"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

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE

	Note	2022	2021
		$	$
Revenue			
Commissioned research		132,194	185,030
Donations		7,504,483	6,288,004
Interest received		42,535	25,710
Australian Government Stimulus		8,571	459,257
Other income		67,503	61,097
Total revenue		7,755,286	7,019,098

NOTE 3: SURPLUS FOR THE YEAR

Expenses			
Employee benefits expense:		4,070,260	3,268,781
- contribution to defined contribution superannuation funds		357,061	269,432
Depreciation and amortisation		106,138	97,348
Interest expense on lease liabilities		4,035	2,899

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT			
Cash at bank	19	2,757,515	1,982,765

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT			
Trade receivables		17,262	93,333
Other receivables		9,760	12,477
		27,022	105,810
Total current trade and other receivables	19	27,022	105,810

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 2022 or 30 June 2021.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6: FINANCIAL ASSETS

		2022 $	2021 $
CURRENT			
Term Deposits	19	6,002,488	6,120,391
Bank Guarantee		19,813	19,813
		6,022,301	6,140,204
Total current assets		6,022,301	6,140,204

The 2022 Term Deposits include Income in Advance – please see Note 12.

NOTE 7: OTHER ASSETS

CURRENT		
Prepayments	55,952	65,363

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Office fit out – at cost	117,920	117,920
Less accumulated depreciation	(34,618)	(22,812)
Total Office fit out	83,302	95,108
Plant and equipment – at cost	204,018	171,249
Less accumulated depreciation	(116,591)	(92,531)
Total plant and equipment	87,427	78,718
Total property, plant and equipment	170,729	173,826

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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	78,718	95,108	173,826
Additions	35,583	-	35,583
Disposals	(2,814)	-	(2,814)
Depreciation write back	1,032	-	1,032
Depreciation expense	(25,092)	(11,806)	(36,898)
Carrying amount at the end of the year	87,427	83,302	170,729

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 expires 31 May 2023, with potential to extend the lease for an additional five years. The option to extend or terminate are contained in the property lease with The Australia Institute. These clauses provide The Australia Institute with the opportunity to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by The Australia Institute.

i. AASB 16 Related amounts recognised in the balance sheet

Right of use asset	**2022** **$**	**2021** **$**
Leased premises	132,710	201,951
Less accumulated amortisation	(69,240)	(69,240)
Total right of use asset	63,470	132,710

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

Amortisation expense	(69,240)	(69,240)
Finance costs	(4,035)	(2,899)
	(73,275)	(72,139)

THE AUSTRALIA INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2022	2021
		$	$
CURRENT			
Trade payables		137,370	53,716
Other payables		154,083	262,507
GST and PAYG payable		23,576	17,541
Total trade and other payables		315,029	333,764
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:		315,029	333,764
Less: GST and PAYG payables		(23,576)	(17,541)
Financial liabilities as trade and other payables	19	291,453	316,223

NOTE 11: PROVISIONS

	2022	2021
CURRENT		
Provision for employee benefits: long service leave	180,948	146,410
Provision for employee benefits: annual leave	341,526	296,473
	522,474	442,883
NON-CURRENT		
Provision for employee benefits: long service leave	58,356	37,026
	58,356	37,026
Total employee provisions	580,830	479,909

	Employee benefits	Total
	$	$
Analysis of total provisions		
Opening balance 1 July 2021	479,909	479,909
Movement in provision	100,921	100,921
Balance at 30 June 2022	580,830	580,830

THE AUSTRALIA INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: PROVISIONS (CONTINUED)

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).

NOTE 12: OTHER CURRENT LIABILITY

	2022	2021
	$	$
CURRENT		
Income in advance	2,274,745	2,125,160
	2,274,745	2,125,160

NOTE 13: LEASE LIABILITIES

	2022	2021
CURRENT		
Lease liability – Right of use asset	65,416	71,282
	65,416	71,282
NON-CURRENT		
Lease liability – Right of use asset	-	65,318
	-	65,318
Total lease liabilities	65,416	136,600

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 14: CONTINGENT LIABILITIES

During the year ended 30 June 2022, the Company enter the litigation funding agreement. Under the agreement, the Company may be liable for an indemnification. As at the date of the report, the outcome of the litigation is unpredictable and the figure of the contingency is uncertain.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period, which require disclosure in the financial statements.

NOTE 16: 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:

	2022	2021
	$	$
Key management personnel compensation	918,820	714,990

NOTE 17: 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 2022 there were no related party transactions (2021: Nil).

NOTE 18: AUDITOR'S REMUNERATION

	2022	2021
	$	$
Remuneration of the auditor:		
- auditing and reviewing the financial statements	13,500	14,000
- other	2,890	750
	16,390	14,750

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 19: 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:

	Note	2022	2021
		$	$
Financial assets			
Cash and cash equivalents	4	2,757,515	1,982,765
Loans and receivables	5	27,022	105,810
Investment in term deposits	6	6,002,488	6,120,391
Total financial assets		8,787,025	8,208,966
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	10	291,453	316,223
Total financial liabilities		291,453	316,223

NOTE 20: FAIR VALUE MEASUREMENTS

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

NOTE 21: COMPANY DETAILS

The registered office and principal place of business of the Company at 30 June 2022 is:

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

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, 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 Australia Institute Limited 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 2022 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* (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.

Emphasis of matter

We draw attention to Note 1(iv) of the financial report which notes the outbreak of COVID-19 as a global pandemic and how this has been considered by the Directors in the preparation of the financial report. The impact of COVID-19 is an unprecedented event, which continues to cause a high level of uncertainty and volatility. As set out in the financial statements, no adjustments have been made to financial statements as at 30 June 2022 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

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 2022 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

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

directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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.

James Barrett, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 11th day of November 2022

The Australia Institute
Research that matters.