“When the facts change, I change my mind. What do you do?”

ANNUAL REPORT 2020-21

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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(resigned March 2021)

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National President, Australian Manufacturing Workers Union

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Founder and Director of the Social Justice Fund
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About The Australia Institute

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

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

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

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

Our Goal.

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

Research at a glance.

160+
Research Pieces

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

In 2020-21, we produced over 160 research pieces, including 120 research reports, 38 submissions to government inquiries and project assessment processes, and 5 National Energy Emissions Audits.

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

120
Research Reports

38 Submissions to Government Inquiries & Project Assessments

5
National Energy Emissions Audits

In the Media.

89 million
Total Cumulative Audience

5,914
Press Clip Mentions

Syndicated to
15,078
different bands, frequencies and websites

$188.6 million
ASR value (Advertising Space Rate)

JobSeeker Cut to Push 370,000 into Poverty

Australia Institute analysis revealed that the Government's decision to cut the JobSeeker supplement by $150 per week would push 370,000 Australians into poverty from September, including 80,000 children.

Currently in Australia there are 13 jobseekers for every job vacancy.

The Coronavirus Supplement has been an essential part of our nation's response to this recession and has improved the lives of nearly half a million Australians. In fact, no other government has ever lifted so many people out of poverty so quickly.

With the ongoing uncertainty surrounding the spread of COVID-19, particularly in Victoria, cutting the JobSeeker supplement will only serve to push vulnerable Australians into further desperate situations.

As unemployment has increased over recent months, the JobSeeker supplement has been the last safety-net between many recently jobless Australians and poverty.

This JobSeeker cut will mean hundreds of thousands of Australians will find themselves struggling to pay the rent or service their mortgages for the first time.

This will impact homelessness, put pressure on the banking system and have a knock-on effect to property investors. Those who own residential investment properties should be particularly concerned about the government ending the coronavirus supplement.

8 things the Prime Minister could do right now if he was serious about addressing issues primarily effecting women.

1 // Address the Superannuation Gap for Women

2 // Address the Unfair Tax Concessions for Superannuation Which Overwhelmingly Benefit Wealthy Men

3 // Take Steps to Close the Gender Pay Gap by Developing and Implementing a National Employment Strategy for Women

4 // Reintroduce Free Public Childcare for Parents

5 // Increase Public Funding for Schools and Healthcare

6 // Adopt a Nationally Consistent Framework Around Sexual Assault

7 // Pass Independent MP, Zali Steggall's Proposed Amendments to the Sex Discrimination Act

8 // Adopt the 55 recommendations from Sex Discrimination Commissioner Kate Jenkins' Respect@Work report

Gender Experiences during the COVID-19 lockdown

One area on which the Australia Institute will continue to focus is gender equality.

It is difficult to capture in words the political mood shift going on in Parliament House, the sheer rage of many women (and many men too) staffers, politicians and journalists in the building at how the Prime Minister mishandled the serious allegations which have arisen, and misjudged the mood of the nation.

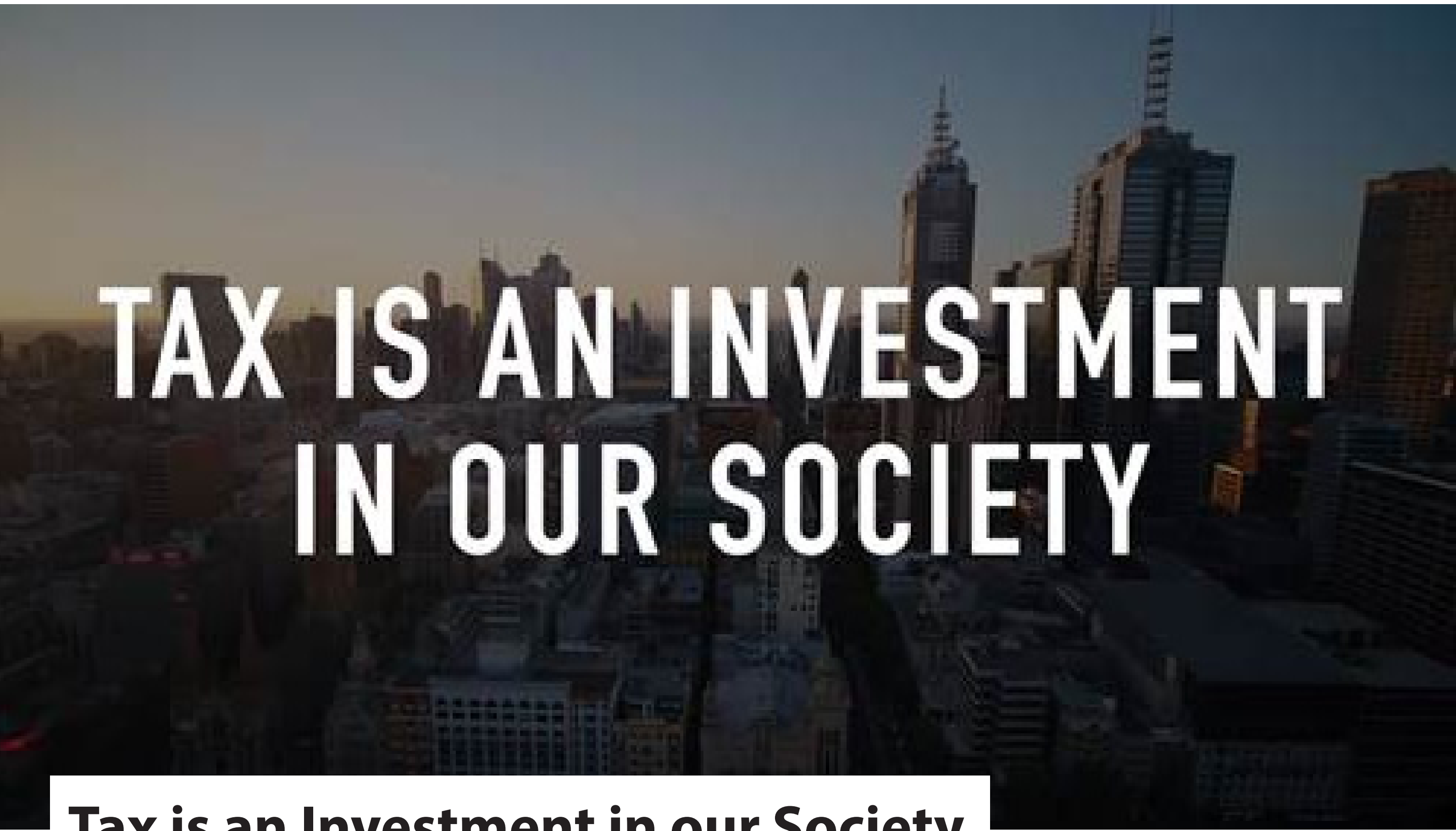
The PM's failure to meet the moment and grasp the opportunity presented to him is transforming politics. It could have been a leadership moment to harness the outrage in the community at how women are treated in workplaces and the community, and provide some solutions. One just has to think back to John Howard and gun law reform to see the legacy-defining opportunity that the Prime Minister is squandering.

This has all resulted in one the biggest and quickest realignments in the political fortunes of a Prime Minister we have seen in many years. Come the next election we may well look back on this moment as the turning point.

Australia Institute research, based on specially commissioned economic modelling, highlighted the snowballing economic gender inequality faced by women, due to four key tax concessions, including those relating to negative gearing and superannuation.

Our research found that the cost of these tax concessions is now $60 billion per year with almost 40% of their value flowing to the wealthiest 10% of Australians. Analysing the gender distribution of the benefit of three of these tax concessions found that for every dollar that goes to women, more than two dollars goes to men.

Our research during the height of the pandemic also found that free childcare is the key to economic recovery. In fact, if Australia had the same female participation rate as Nordic countries, then 380,000 additional women would be employed, which is worth an extra $48 billion per year to GDP.



Tax is an Investment in our Society

Australia Institute research has consistently demonstrated that the Government's Stage 2 and 3 tax cuts are inequitable, will weaken Australia's progressive tax system, and undermine Australia's long-term revenue base. Tax cuts -- particularly those than benefit wealthier Australians -- make poor economic stimulus.

This year, we launched a national advertising campaign opposing the early introduction of the Government's income tax cuts and highlighting the importance of taxation to our society.

The advertisement builds on Australia Institute research which shows the tax cuts will not boost the economy and will widen inequality in Australia.

Cutting taxes for already wealthy Australians will undermine the long-term strength of our public services, like healthcare and education, while doing very little to stimulate economic growth.

Tax is an investment in our society. Those calling for tax cuts today will be calling for service cuts in the future.

The initiative was supported by more than 40 prominent Australians, including:

Bernie Fraser
former governor of the Reserve Bank

"The unfolding COVID pandemic is a stark reminder to all policy makers of two fundamental truths: that while many of us work and spend in economies, we all live and die in communities; and, secondly, the most vulnerable groups in those communities are always hit the hardest in major crises like this pandemic."

Stephen Grenville
former Deputy Governor of the Reserve Bank

"We'll need substantial stimulus for an extended period. Cutting top-rate income tax would be a weak stimulus which undermines the equitable and progressive tax structure we'll need when the COVID crisis is over."

John Hewson AM
former Liberal Opposition Leader

"The LNP naively hope tax cuts are good politics, but they won't be as they increase inequality and fail to ensure job security and increasing wages with our economy still struggling to exit recession."

Cassandra Goldie
CEO of ACOSS

"More tax cuts today mean service cuts tomorrow. The next stage of legislated tax cuts costs $12 billion a year and reduces tax for people on $130,000 or more by $47 per week. Most low and middle income earners get nothing. Yet it's only low income-earners that will spend most of any Government stimulus. Instead, it's time to #RaisetheRateforGood by permanently increasing Jobseeker payments."

Professor Patricia Apps
University of Sydney Law School

"The policy fails both in terms of fairness and efficiency. We need a far more progressive income tax, and one based strictly on individual incomes."

Michael Keating AC
Former Secretary to the Department of the Prime Minister and Cabinet

"These tax cuts that massively favour the rich will provide less stimulus per fiscal dollar than any other measure available."

> **"We have now seen the utter failure of self-regulation**, and that means we have to go on to what's next, and **that's why what you're doing in Australia is so important,** it's the beginning of exploration of what's next."
>
> **— Professor Joseph Stiglitz**

News Media Bargaining Code: World Leading Legislation

The News Media Bargaining Code was the first recommendation to be implemented from the comprehensive Digital Platform Inquiry. The Digital Platform Inquiry, conducted by the Australian Competition and Consumer Commission (ACCC) was a wide-reaching investigation at the effect that search engines, social media platforms, and other digital platforms have on competition in media and advertising markets. This included the impact of digital platforms on the supply of news and journalistic content.

The News Media Bargaining Code was first released as a voluntary code, encouraging good faith negotiations between Google and Facebook, and news media organisations to address the market imbalance between them. After an unsatisfactory negotiation period, the Australian government moved to make the Code mandatory, including final arbitration clauses should no agreement be reached.

What followed were some extraordinary reactions from both Google and Facebook that made global headlines.

Google released a significant public protest campaign mobilising their user base to appeal to the Australian Government to amend the Code into terms that better favoured them.

Facebook decided on the unprecedented move of banning Australian news media profiles from their platform, including numerous public service pages in a move some described as an act of malicious compliance.

However, supporters of the Code, including the Australia Institute's Centre for Responsible Technology have maintained the Code as a significant first step.

Further, the global precedence the Code presented galvanised support, even attracting support from other technology companies like Microsoft.

The Code passed both houses of parliament in February 2021. Since then significant deals have been reached between Google and major publishers as well as smaller publishers like Country Press Australia, representing 180 local and independent regional newspapers.

THE FEDERAL PARLIAMENT IS CURRENTLY CONSIDERING LEGISLATION THAT WILL BE CRITICAL TO AUSTRALIA'S FUTURE AS A DEMOCRACY AND A GLOBALLY SIGNIFICANT RESPONSE TO THE GROWING POWER OF BIG TECH.

FACTS MATTER. BACK THE MEDIA CODE.

The Media Bargaining Code is the first of a set of reforms designed by the ACCC to deal with one of our most pressing problems: how do we maintain a fact base for our public discourse?

This Code is the product of their 18 month inquiry, a 650 page report, community consultation and industry feedback.

The package of reforms the ACCC proposed include measures to:

- Require social media platforms to value journalistic news content
- Increase citizen rights to the personal information collected about them
- Increase understanding of how digital advertising works

This year the pandemic taught us a lot about the limitation of relying on social media — with disinformation, angry voices and parallel realities directly threatening the public health effort.

In contrast, the operation of a diverse free press grounds us in fact when we critically need it with public health briefings, context and analysis, and informed criticism and debate.

Through 2020 trust in both government and media has improved, yet the media companies who delivered this information have gotten weaker with waves of closures and job cuts.

As the ACCC found in its inquiry, the media business model has been ruined by the advertising dominance of Facebook and Google that leverage 'user consent' to collect our personal information so that companies and organisations will pay them to shoot ads back at us.

The ACCC also found that the big tech platforms benefit substantially from publisher content and the user data it generates, yet publishers receive no payment for this.

And through the pandemic, when their own networks failed, the platforms have grown in value by billions of dollars.

Around the globe, politics has been brutalised by the transfer of public discourse to private networks and the role of these platforms in subverting democracy around the globe: from the violent targeting of minorities in Burma and India to the creation of parallel realities that threaten confidence in the recent US elections.

The Media Bargaining Code is an attempt to rebalance the equation — with platforms recognising the value of facts via a bargaining deal that would fund journalism into the future.

Recognising it now includes ABC and SBS, this Code demands cross-party support: a clear statement from all our elected representatives that they will stand up for democracy.

IT WILL BE AN IMPORTANT FIRST STEP IN AUSTRALIA TOWARDS BUILDING A STABLE PUBLIC SQUARE WHERE IDEAS CAN BE EXCHANGED, ISSUES DEBATED AND DIVISIONS MEDIATED.

SEND A MESSAGE TO FEDERAL PARLIAMENT: BACK THE CODE.

The Australia Institute
Research that matters.
Centre for Responsible Technology

centreforresponsibletechnology.org.au

HELP FIX POLITICS

Help Fix Politics: If You Believe in Democracy You Believe in Politics

One of our mottos at the Australia Institute is 'help fix politics'. It is our way of encapsulating the need to not abandon the political process but to engage with it. A greater civic engagement with politics is needed both to achieve policy outcomes and to reform the political system itself.

Ultimately, politics is the way different and competing interests are settled peacefully. It is a necessary part of democracy. If you believe in democracy you believe in politics.

This, however, does not mean all politics is good or that our political process does not require reform. There is much to do. In fact, it is not an exaggeration to say that our democracy is at risk unless we do reform our politics.

Australia Institute research in Australia and overseas shows time and again a huge and increasing level of disillusionment in our political process, which alarmingly, is bleeding into a loss of belief in democracy itself. This is notwithstanding the fact that our recent research has shown the COVID crisis and government action has demonstrated trust in government is possible to regenerate.

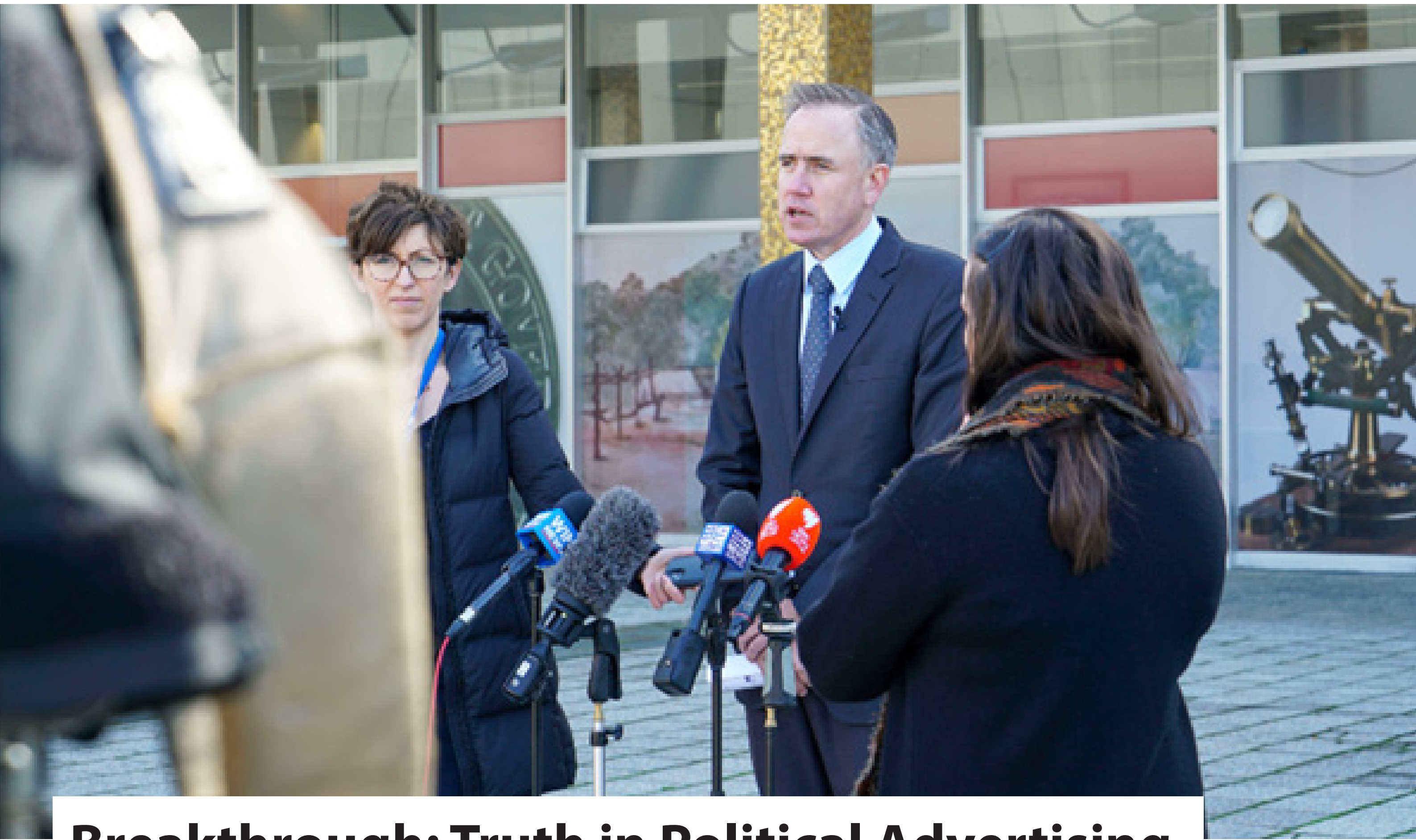
Unless we can fix our political processes, many policy reforms are hard to achieve. From climate change to tax policy, vested interests too easily trump community wellbeing. It is why, for example, the Australia Institute has driven the debate on the need for a national anti-corruption watchdog. It is why we pushed for and were successful in helping establish a COVID-19 parliamentary oversight committee. It is why we have a program of work we are further developing around democracy, accountability and how to fix politics.

Why do our PMs treat the seat of democracy with scorn?

Ben Oquist wrote an opinion piece in the Canberra Times about how the continual denigration of Canberra and the 'Canberra bubble' is harmful to our democracy.

The Australia Institute will continue with our work to get Prime Ministers to spend more time in Canberra (and living in The Lodge). This is part of a bigger program and strategy here at the Australia Institute as we chart a course to help strengthen democracy.

As we have seen from events here and around the world, it is clear we cannot take for granted our democratic norms and the continual denigration of Canberra only serves to weaken perceptions of our capital's democratic institutions and practices.



Breakthrough: Truth in Political Advertising

In one of its final acts of Parliament before the Territory election, the ACT Legislative Assembly passed legislation introduced by the Greens to implement truth in political advertising at the Territory level.

It is perfectly legal to lie in a political ad, but not any more in the ACT.

This is a stunning breakthrough. The Australia Institute has produced a steady stream of research and initiatives over the last year to promote this important democratic reform, and spent countless hours briefing MPs from all sides of politics on how such legislation could be implemented.

Political disinformation and its threat to democracy is one of the big issues of our age. Political parties and candidates have a particular responsibility to help stem the tide against the deliberate lies and misinformation that is infecting much of our public debate and discussion. Unless action is taken, we risk a descent into a fake news free-for-all where voters' democratic decisions are essentially corrupted.

It is no exaggeration to say our democratic system is in urgent need of buttressing.

While the ACT is a small jurisdiction and truth in political advertising is only one part of the puzzle in the fight against the disinformation infecting our public square, this legislation is a big breakthrough, supported by the Greens, Labor and Liberal parties. Though small, Canberra is our nation's capital, and it is important that it has taken a leadership step in this regard.

We at the Australia Institute will be using the success of this outcome to attempt to drive a national debate on the issue.

Representative, Still: the role of the Senate in our Democracy

New research by the Australia Institute showed that it is the Australian Parliament's bicameral structure, and specifically, the Australian Senate which has been key to the success of Australian democracy, in particular because its make-up provides accountability, proportionality and diversity to the Australian Parliamentary system

The report is one of the few extensive studies of Australians' knowledge of and attitudes to the Senate recent years, and was launched by President of the Senate, Senator Scott Ryan, at a special webinar on 9 March.

Australia Needs a Federal Anti-Corruption Watchdog with Teeth: Timeline

31 March 2016 — Australia Institute polling research
Australia Institute releases its first poll showing that most Australians (65%) support a national anti-corruption body.

14 January 2017 — Australia Institute open letter
41 prominent Australians sign an Australia Institute open letter calling for a national anti-corruption body.

8 February 2017 — Parliamentary Committee forms
Senate Select Committee on a National Integrity Commission forms.

17 August 2017 — Australia Institute conference
The Australia Institute holds the Accountability & The Law conference at Parliament House, where speakers make the case for a federal anti-corruption commission.

13 September 2017 — Parliamentary Committee reports
Senate Select Committee on a National Integrity Commission releases its report, and ceases to exist. The report recommends that the government give careful consideration to establishing a broad integrity and corruption Commonwealth agency.

Greens dissenting report recommends government begin work immediately on a national integrity commission. Additional comments from Nick Xenophon Team and Senator Derryn Hinch also make the case for a national integrity commission.

October 2017 — National Integrity Committee forms
The National Integrity Committee forms under the auspices of The Australia Institute.

27 November 2017 — National Integrity Committee principles for design
National Integrity Committee releases its principles for designing a national integrity commission, its first piece of work. The National Integrity Committee featured in a 7:30 report earlier that month.

17 January 2018 — Australia Institute runs TV ads
The Australia Institute runs its first TV ads on this issue.

30 January 2018 — Labor at National Press Club
Labor leader Bill Shorten announces at the National Press Club that the party will implement a national integrity commission if it is elected. Prime Minister Turnbull does not rule out the proposal.

January 2018 — Coalition Government considers options
In December 2018, the Coalition Government says that January 2018 is when they "began carefully considering options for a national anti-corruption body".

February and May 2018 — National Integrity Committee meets with Attorney-General
The National Integrity Committee meets Attorney-General Christian Porter in February and May.

March 2018 — Coalition Government is considering detailed models
Attorney-General Christian Porter says the Coalition is considering "detailed models" for a national anti-corruption body.

9 April 2018 — National Integrity Committee releases blueprint
The National Integrity Committee releases its blueprint analysis for a national integrity commission.

June–August 2018 — Submission prepared for Cabinet
In the aftermath of the Turnbull leadership spill, it emerges that a detailed cabinet submission on national anti-corruption body had been prepared in June and was due to be considered by federal cabinet until derailed by leadership challenge.

28 September 2018 — National Integrity Committee releases implementation plan
National Integrity Committee releases their implementation plan for a national integrity commission.

November 2018 — House of Reps calls for an integrity commission
House of Representatives passes motion calling for national integrity commission; the Coalition does not vote against the motion.

25 November 2018 — Open letter from 34 former judges and Integrity Committee
Open letter from 34 former judges and the National Integrity Committee calls for a national integrity commission to be legislated.

26 November 2018 — Integrity commission legislation introduced
Cathy McGowan's National Integrity Commission Bill is introduced in the House of Representatives, seconded by Centre Alliance MP Rebekha Sharkie.

The Greens' National Integrity Commission Bill (No. 2) is introduced in the Senate. Bill No. 1 was introduced by Senator Christine Milne in 2013.

13 December 2018 — Coalition Government announces it will establish integrity commission, open to submissions
Australian Government "will establish a Commonwealth Integrity Commission (CIC) to strengthen integrity arrangements across the federal public sector." Consultation paper released.

18 December 2018 — Panel of experts announced
Panel of experts to advise on CIC legislation announced.

23 January 2019 — National Integrity Committee identifies necessary powers
National Integrity Committee identifies the necessary powers for an effective integrity commission.

1 February 2019 — Submissions close
Submissions close for government consultation paper. Panel of experts expected to have completed its advice to government.

4 April 2019 — Budget allocates money
2019–20 Budget allocates $104 million over four years to establish CIC and $2.2 million for ACLEI to be reformed as division of CIC.

3 May 2019 — Labor makes election promise of an integrity commission within 12 months
Labor say they will legislate an integrity commission within 12 months if elected.

26 May 2019 — Attorney-General identifies integrity commission as a priority reform of the 46th Parliament
Porter identifies the integrity commission as having progressed to now having "an implementation focus", and identifies it as one of several "priority" reforms "which I will be working to achieve early in the 46th Parliament".

31 July 2019 — National Integrity Committee and crossbenchers renew call for integrity commission "with teeth"
Following the Crown Casino allegations, the National Integrity Committee and federal crossbenchers renew call for a national integrity commission "with teeth".

1 August 2019 — Attorney-General commits to establish integrity commission quickly
On a Labor motion calling on the government to establish an integrity commission, Porter tells Parliament that "it'll be done a lot quicker than the promise those opposite made as to when they would do it; it'll be a lot quicker than the 12 months that they promised."

It's not clear if Porter means the legislation will be introduced within 12 months or the commission will exist within 12 months, but the context is that the Labor Opposition promised an integrity commission within 12 months of being elected.

9 September 2019 — Senate passes Greens' National integrity Commission bill
Senate passes Greens' National Integrity Commission Bill.

11 September 2019 — Attorney-General expects bill by end of the year
Porter says "I am finalising a draft bill to form the basis of public consultation and expect to finalise a bill by the end of the year" and "The shadow Attorney-General and I will have a great deal of work to do together over the coming months on this body".

Earlier that week, the Senate passed a motion calling for an integrity commission with stronger powers than the proposed CIC.

21 November 2019 — Government backbencher expresses serious concerns
Nationals MP Llew O'Brien says he has "serious concerns" about government's CIC proposal being too weak, and may cross the floor.

The Guardian says the legislation is expected "in the coming weeks".

Porter will release the draft legislation "shortly", but does not clarify the time frame.

17 January 2020 — Attorney-General says extensive consultation means commission will "take as long as necessary"
Porter says the national integrity commission will "take as long as necessary" because of the need for "extensive consultation". Since it is the holiday period, "I have decided to release the full 300-plus pages of the draft early in the new year".

3 March 2020 — Draft is in "continuous process of refining"
Public servants confirm they have presented multiple versions of the exposure draft to the Attorney-General in a "continuous process of refining".

16 June 2020 — Attorney-General will restart talks with crossbenchers; walks back commitment to integrity commission this term
Porter says he will "restart" talks to "test" the views of crossbenchers who think the CIC as planned would be too weak. Will not commit to setting up CIC in this term. He says "the first time I've looked at that legislation since this pandemic hit was actually last week."

Crossbenchers renew call for a national integrity commission "with teeth".

1 September 2020 — Helen Haines introduces legislation, Australia Institute releases new polling
Helen Haines introduces legislation to establish the Australian Federal Integrity Commission. The move is welcomed by other crossbenchers and the National Integrity Committee.

Australia Institute polling shows 3 in 4 Australians want a commission legislated by the end of this year.

6 October 2020 — Federal Budget contains no extra funding for integrity commission
2020–21 Federal Budget includes no extra funding for the CIC. Expected average staffing level for 2020–21 for the CIC is 76.

2 November 2020 — Government releases draft legislation
The Government begins consultation on its Commonwealth Integrity Commission draft legislation.

12 February 2021 — National Integrity Committee submission warns Government model "falls disastrously short"
Public submissions close on the Government's Commonwealth Integrity Commission draft legislation. The Government received 333 submissions, of which 219 were published.

The National Integrity Committee's submission warns that 'the government proposal falls disastrously short of providing an effective body to counter and expose corruption at a National level. Especially in relation to the examination of corruption in the public sector, this model will rightly be seen by the community as a sham, and as a deliberate political diversion designed to shield the public sector, and in particular politicians and their staff, from proper scrutiny and accountability. It will bring the government into justified contempt and harm Australia's reputation. Our stocks in the integrity field are presently low and this proposal will further diminish them, and significantly so.'

26 February 2021 — Liberal Senator Fierravanti-Wells calls for strong integrity commission
Liberal Senator Concetta Fierravanti-Wells calls for a strong integrity commission, raising unresolved corruption allegations.

8 May 2021 — Labor strengthens call
Labor strengthens its call for a national integrity commission.

26 May 2021 — Government confirms integrity committee legislation introduced "by the end of the year"
At Senate Estimates, the Government confirms it aims to introduce its integrity commission legislation "by the end of the year".

The Attorney-General's Department compared ACLEI favourably to state and territory integrity commissions "that might achieve people having their lives destroyed but not actually achieving convictions".

Weapons of Gas Destruction

If fully unleashed, Australia's gas resources could be responsible for up to three times the annual carbon emissions of the entire world.

A landmark Climate & Energy Program report, 'Weapons of Gas Destruction', commissioned by the Australian Conservation Foundation, is the first time the entirety of Australia's gas project pipeline and resources have been compiled and their potential climate impact assessed.

The report finds:

- When gas is extracted, transported or burned it releases greenhouse gas emissions; the climate impact from 'fugitive' gas emissions has been under reported in Australia.
- Australia's existing pipeline of 22 gas projects, along with identified and prospective gas resources, could emit up to three times the annual world emissions.
- Taking a global carbon budget approach to meeting the Paris Agreement goal of 1.5 degrees, Australia's use of gas resources would use up 28% of the global carbon budget.
- Compared to the world's largest corporate polluters, unleashing Australia's gas resources would emit more than double the historical emissions of Chevron, Exxon, BHP and Rio Tinto put together.
- The gas industry itself is a major user of gas, burning twice as much gas as Australian households and nearly as much as the manufacturing sector.

Our research shows fossil gas is not a transition fuel, it is central to the problem in the fight to address climate change.

Gas is a high-pollution industry that won't create jobs while unleashing triple the world's annual emissions into the atmosphere. To say it is 'lose-lose' is an understatement.

Gas-Fired Recovery / Gas-Fired Backfire

Our analysis found that using the COVID-19 recovery funding (the so-called 'gas-fired recovery') to subsidise the gas industry would create few jobs, increase emissions and lock in higher energy prices.

Despite being the world's largest Liquified Natural Gas exporter, less than 0.2% of Australia's workforce works in the gas industry, and the companies pay little if any tax.

In fact, the gas industry is among the most capital intensive, job poor industries in Australia. Subsidising gas would displace lower cost renewables and lock Australia into higher energy prices and higher emissions for decades to come.

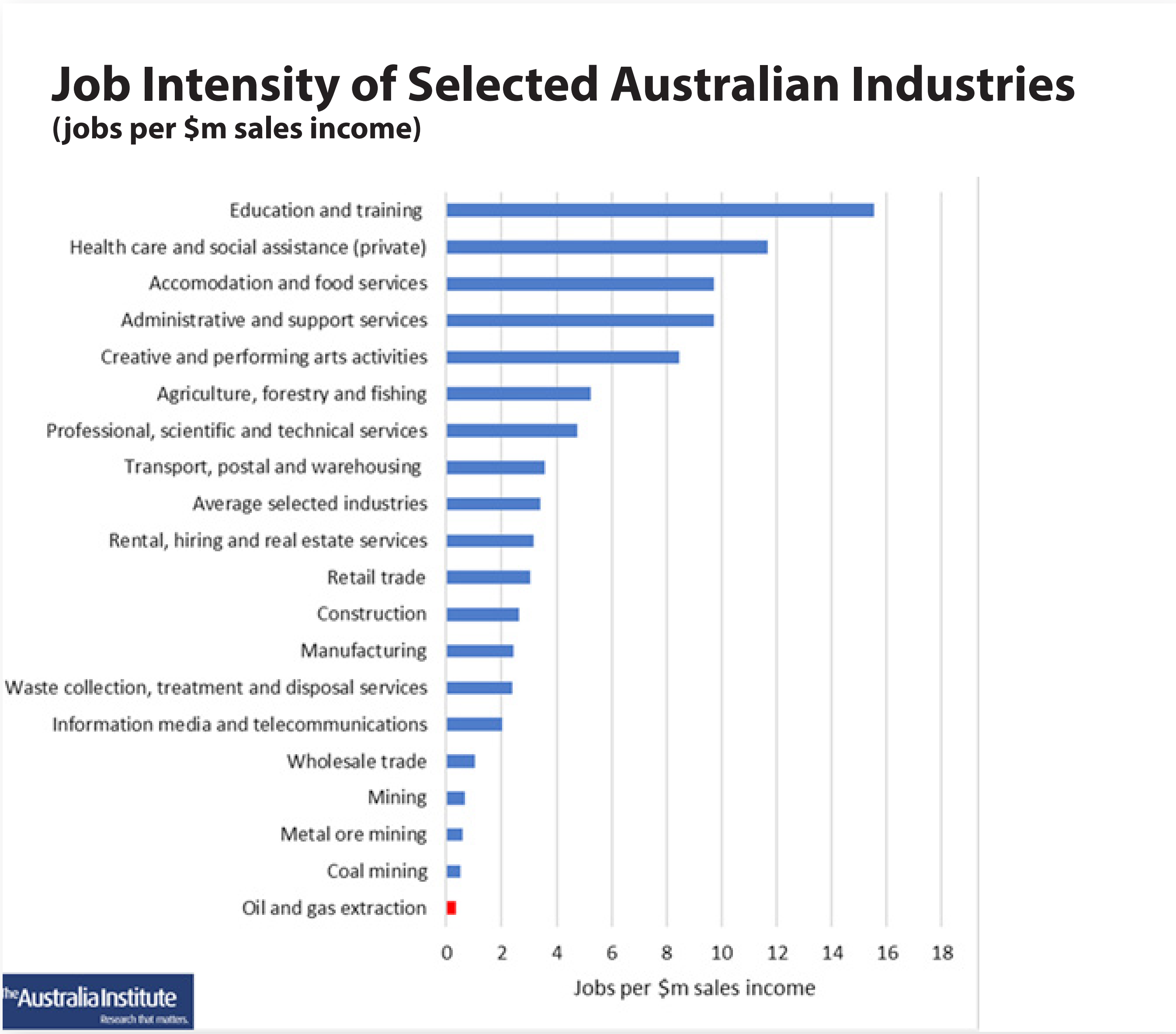
COIVD-19 recovery funding gives Australian manufacturing with a unique opportunity to shift to electrification of many processes, providing clean, efficient, cheaper and more reliable alternatives.

Spending recovery funds on a capital intensive, jobs poor industry like gas completely defeats the purpose of a recovery program, virtually any other industry would be likely to create more jobs.

Australia's COVID recovery, and the climate, would be better served by investment in renewables—which are far cheaper and cleaner than gas—not squandering public money on a so-called 'gas fired' recovery.

Gas supply has tripled in the last decade and yet domestic gas prices on the East Coast have only increased, evidence that higher gas supply does not automatically equal lower electricity prices.

Locking Australians into gas by building new infrastructure is short sighted, will end up costing Australian energy consumers more money, and ignores the other crisis at hand, climate change.



The Guardian

Malcolm Turnbull backs moratorium on new coalmines in NSW

Former PM says Upper Hunter Valley mines are devastating the landscape and shortening life expectancy, and jobs focus should be on clean energy, tourism and wine

Zombie mines: New report looks at the number of proposed coal projects in NSW

Former Prime Minister Malcolm Turnbull backed in the Australia Institute's new report on 'zombie mines' in the Hunter Valley and called for a moratorium on new coal mines in NSW.

This is one of the most significant interventions in the coal supply debate that Australia has seen.

The former PM pointed out just what an economic and environmental horror show the planned coal expansion in NSW amounts to.

There are 23 new coal projects proposed in NSW, with total production capacity of more than 155 million tonnes.

Malcolm Turnbull: *"I think it's out of control. There are mines being approved which would have capacities vastly in excess of the demand for coal that exists.*

"...this is why there needs to be, as the Australia Institute recommend, a comprehensive regional plan, I think, and a moratorium.

RN Breakfast, 31 March 2021

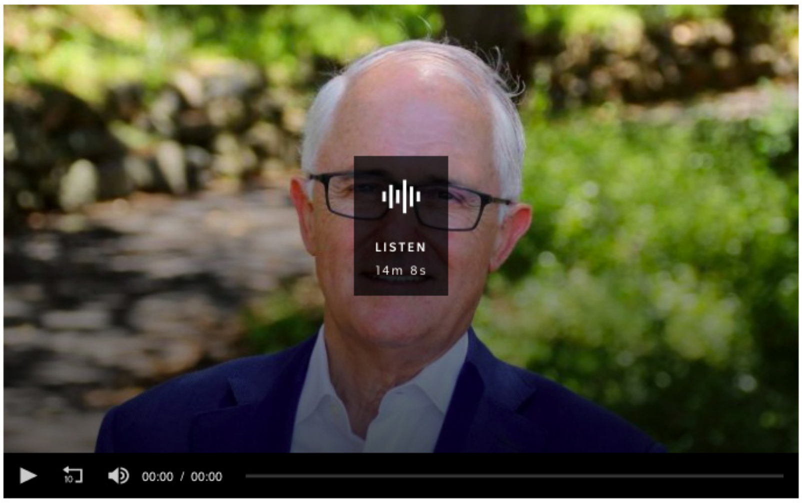


Image: ABC News: Peter Rothwell

Malcolm Turnbull backs calls for a freeze for coal mining approvals

On RN Breakfast with Fran Kelly

80%

of Australians think we are already experiencing the impact of climate change

82%

of Australians are concerned that climate change will result in more bushfires

83%

of Australians support a phase-out of coal-fired power stations

79%

of Australians rank solar in their top three preferred energy sources

40x

is the factor by which Australians overestimate gas industry employment

45x

is the factor by which Australians overestimate the oil and gas industry's contribution to Commonwealth revenue

65%

of Australians support the introduction of a levy on Australia's fossil fuel exports to help pay for climate disasters

65%

of Australians think the Australian Government should stop new coal mines

Climate of the Nation: After Black Summer Climate Change Concern Hits 82%

The Australia Institute's annual benchmark Climate of the Nation report on attitudes climate change was this year launched by the NSW Minister for Energy and the Environment, The Hon. Matt Kean MP.

Our Climate of the Nation report is a deep dive into where the public is at on a variety of climate change issues, and crucially, the first after the devastating Black Summer bushfires.

Many political observers have attempted to cast the 2019 Federal Election as a rejection of strong action on climate change, however, this narrative is contested. That is why this year's Climate of Nation report was so important.

Fossil Fuel Subsidies in Australia

Our research revealed that fossil fuel subsidies cost Australians a staggering $10.3 billion in FY 2020-21 with one Commonwealth tax break alone ($7.84 billion) exceeding the $7.82 billion spent on the Australian Army.

In fact, $10.3 billion in Government subsidies means that in 2020, every minute of every day $19,686 was effectively given to coal, oil and gas companies and major users of fossil fuels.

State Governments spent $1.2 billion mainly through subsidising exploration, refurbishing coal ports, railways and power stations and funding 'clean coal' research.

State governments continue to pour money into coal ports and railways despite Queensland Treasury advice that 'spending on mining related infrastructure means less infrastructure spending on hospitals and schools'.

While coal, oil and gas companies in Australia give the impression that they are major contributors to the Australian economy, our research shows that they are major recipients of taxpayer funds.

From a climate perspective this is inexcusable and from an economic perspective it is irresponsible.

The major subsidies are Commonwealth tax breaks that mean the largest users of fossil fuels get a refund worth $7.8 billion on a tax that the rest of the community has to pay.

This tax break not only funneled $1.5 billion to the coal and gas industries last year, but it made it cheaper for them to export fossil fuel to the rest of the world.

A few years ago such subsidies would have been announced quietly, but now they're central to government policy.

Australia is increasing fossil fuel subsides, while the Biden administration is committing to phase them out. Yet again, our research shows Australian governments are going against the tide of global trends and good climate policy.

Facts Matter.
Fake news harms democracy

Facts matter. All over the world what happens when fake news is allowed to proliferate uncontested. From Donald Trump to the spread of social media misinformation about COVID-19 and vaccination, the disinformation/fake news onslaught is one of the great and worrying trends of our age. Indeed these concerns are part of the motivation for the establishment of our Centre For Responsible Technology. There will always be disagreement about policy priorities but without some shared understanding of basic facts and information our very ability to function as a democracy is threatened.

For too long, some in the mining and resources sector have exaggerated the economic benefits of their industry. This reached staggering new heights in Queensland during their election period, to the point where it has become what can only be described as fake news.

The Australia Institute made the unusual step of calling the fake news out with a full advertisement in the Courier Mail. The Queensland Resources Council had the audacity to claim that their industry supports 46,750 jobs in a single Brisbane electorate. **This, despite there being only 35,013 voters in the seat.**

A Platform for World Leaders and Brightest Thinkers

With an audience of over 50,000 people having registered for Australia Institute's webinar series since it began in March 2020, Australia Institute webinars have become a platform for world leaders and a place for ideas to be debated.

Guests have included current and former heads of state, such as former Australian Prime Ministers Hon. Julia Gillard and Hon. Malcolm Turnbull, East Timor President and Nobel Peace Prize laureate Dr José Ramos-Horta.

Other Nobel Laureates hosted by the Australia Institute include Professor Joseph Stiglitz and Professor Brian Schmidt. The webinar series has also hosted many Ministers and former Members of Parliament, as well as authors, artists, activists and academics.

While the series initially began as a way to explain how the pandemic was affecting the Australian economy, with guests like Professor Joseph Stiglitz, it soon evolved into a platform that each week gives the public access to some of the world's brightest thinkers on big public policy issues such as climate change, criminal justice reform, fighting corruption, regulating Big Tech and supporting Australia's arts and entertainment industry.

Webinar guests include:

Andrew Robb • Jay Weatherill • Kate Carnell • Minister Matt Kean

Senator Scott Ryan • Chris Bowen MP • Senator Kristina Keneally • Senator Jacqui Lambie

Ged Kearney MP • Anne Aly MP• Lucy Turnbull • Professor Jane Golley

Professor Megan Davis • Paul Bastian • Michele O'Neil • Correna Haythorpe

Thomas Frank • Elliot Harris • Christina Bu • Bernard Collaery • Craig Reucassel

Rod Sims • Robert Elliott Smith • Clare O'Neil MP • Bob Inglis

Jennifer Robinson • Peter Cronau • Laura Tingle •

Amy McQuire • Ross Garnaut • Rick Morton • Ed Santow • Richard Flanagan

Julia Gillard says her government's carbon price proves climate policy isn't 'all too hard'

On Climate Action: "What I hope is remembered from that period and taken forward into the future … is that it is possible to put in place a scheme in Australia that does reduce our carbon emissions. The received history is 'oh we've been fighting about that for forever, nothing gets done, it's all too hard, it's all too complicated'.
I would like us to unpack to the next level and say, no -- **it can get done, it was done. And if we did it once we can do it again in the future** … I do want to push back against received helplessness that it's all too hard."

On the role of Government: "….a reminder that **when the going gets tough, government really matters, and who is running government really matters.** And I hope we take that sense with us. I also hope that we take the sense with us that expertise matters. As you would know all too well, Ben, we've been in an era where particularly in the climate discussion with climate change scepticism, but not just the climate discussion. There has been a sort of reaction against expertise. … And yet, here we are, all of us sort of hanging off every word from chief medical officers around the country, and from infectious diseases specialists and the like. **So it's been a real reminder that expertise matters. And I hope we take that with us, too."**

Introducing the Anne Kantor Fellowship: a new program providing paid training opportunities for future new voices.

The Anne Kantor Fellowship is a unique graduate style program to provide on-the-job training to help equip and encourage new voices in Australia's future policy and democratic debates.

The objectives of the program are to:

• provide Fellows with a unique opportunity to gain on the job training with research or advocacy-based organisations

• create an experienced pool of Fellows with the skills and experience to effectively advocate for change

• establish a pipeline of new voices to contribute to Australia's future policy and democratic debates

• build relationships and drive future collaboration with partner organisations and other stakeholders

How It Works

The program will fund up to four Fellows per annum for a period of 12 months (or the part-time equivalent). Applicants could be at any point in their career, be it early career, mid-career or returning to work.

Fellows will receive training and mentorship to develop skills and experience in public policy and advocacy at both the Australia Institute and/or at a partner organisation. Partner organisations may receive either a funded Fellowship placement, or offer a Fellow a secondment to their organisation.

The Anne Kantor Fellowship includes:

Support to develop skills and gain experience in public policy and advocacy at both the Australia Institute and/or at a partner organisation.

Mentoring: Fellows will be partnered with a mentor who will offer their knowledge and experience and provide advice to guide and support the Fellow during the program.

On the Job Training: The Australia Institute will provide training in areas such as economics, advocacy, media and communications, and NFP governance.

Networking Opportunities: Together with the Australia Institute's cohort of graduates, Fellows will be invited to become members of the Australia Institute Alumni.

Partners in the program will provide placement and/or project opportunities for Fellows to work on during the Fellowship. This may involve interstate travel for short periods.

Australia Institute TV

The Australia Institute is a leading voice in the public policy and political debate, and our new AustraliaInstitute.tv will unpack who stands to win or lose from policies, give you free access to the best new research and analysis from our team of experts, and explain politics in terms of what it means for you, your community and the country — not just who is up or down in the polls.

We have built a new studio just a stone's thrown from Parliament House in Canberra, but the Australia Institute barracks for ideas, not political parties.

In an era of fake news and disinformation, AustraliaInstitute.tv is a voice you can trust.

Introducing AustraliaInstitute.tv your go-to destination for interesting ideas and fresh analysis you can trust.

Fresh analysis from the Australia Institute. Free on YouTube > visit Australiainstitute.tv to subscribe

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. The Research Committee met twice in 2020-21 in October and April.

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 2020-21 were:
Professor Jon Altman, Dr Hugh Saddler, Dr Richard Denniss, Emeritus Professor Alastair Greig, Professor Barbara Pocock *(resigned March 2020)*, 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, Communications Director Anna Chang and Climate & Energy Program Director Richie Merzian led the day to day operations of the Australia Institute throughout 2020-21.

ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

The Australia Institute Limited
ACN 061 969 284

2020-21 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 2021.

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
Professor Barbara Pocock AM
Associate Professor Elizabeth Hill
Dr David Morawetz
Dr Elizabeth Cham
Mr Josh Bornstein
Mr Andrew Dettmer
Ms Alexandra Sloan AM
Professor Asmi Wood

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 in order to inform public debate and bring greater accountability to the democratic process. 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 $1,603,976 (2020 surplus: $238,155).

Events Subsequent to the End of the Reporting Period

The Australia Institute Board resolved to return JobKeeper funds received in 2020/21. When the COVID crisis first hit in 2020 there was great uncertainty and it was thanks to JobKeeper that The Australia Institute was able to guarantee all staff their jobs. Nonetheless, given the financial recovery of the Australia Institute in the latter half of the financial year, the Board decided it was appropriate to return the JobKeeper funds received for the year.

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, Member Fundraising Committee

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Name	Emeritus Professor Barbara Pocock AM
Experience	Professor Pocock is Emeritus Professor at the University of South Australia. Professor Pocock has researched work, employment, and industrial relations for over thirty years and has worked advising politicians, on farms, in unions, for governments and as a mother and carer. In 2010, Professor Pocock was appointed a Member of the Order of Australia for service to industrial relations as an academic and researcher, particularly in the areas of employment, gender relations and vocational education, and as an advocate for social justice.
Special responsibilities	Deputy Chair, Chair of the Finance Committee, Member of the Research Committee (until March 2021).
Name	Associate Professor Elizabeth Hill
Experience	Elizabeth is Associate Professor in political economy at The University of Sydney and co-convenor of the Australian Work and Family Policy Roundtable. 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. She is an experienced media commentator and advisor to government, unions, and business.
Special responsibilities	Member of the Research Committee, Chair of the Finance Committee (from March 2021)
Name	Dr David Morawetz
Experience	Dr Morawetz is the Founder and Director of The Social Justice Fund. Dr Morawetz first worked as an economist specialising in the economics of developing countries, becoming an Associate Professor of Economics at Boston University. Dr Morawetz then studied psychology and has spent the past 30 years as a counselling psychologist in private practice.
Name	Mr Andrew Dettmer
Experience	Mr Dettmer is the National President of the Australian Manufacturing Workers Union and the ACTU representative to SafeWork Australia. Mr Dettmer sits on the boards of the Industry Capability Network; the Australian People for Health, Education and Development Abroad (APHEDA) and TAFE Queensland and co-chairs the Future of Work, Education and Training/Test Laboratories stream of the AiG Industry 4.0 Forum. Mr Dettmer is involved in Australian Industry Participation policy and vocational education and training policy,
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.
Special responsibilities	Chair of the Fundraising Committee

DIRECTORS' REPORT (continued)

Information on Directors (continued)

Name	Mr Josh Bornstein
Experience	Mr Bornstein heads the National Employment & Industrial Law practice at Maurice Blackburn Lawyers. He is a member of the Advisory Board of the Centre for Employment and Labour Relations Law, University of Melbourne and Deputy Chair of the Racing Appeals and Disciplinary Board, Victoria. He is a member of the Victorian Racing Tribunal and a 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	Ms Alexandra Sloan AM
Experience	Ms Sloan AM is a journalist with over 30 years' experience, including 27 years as a broadcaster with the ABC. Ms Sloan is the Deputy Chair of the ACT Writers Centre and the ACT Chair and Director of the Winston Churchill Memorial Trust. In 2017, Ms Sloan was named ACT Citizen of the Year, and in 2019 was appointed a Member of the Order of Australia.
Special responsibilities	Deputy Chair (from November 2020)
Name	Professor Asmi Wood
Experience	Professor Wood is a professor at the ANU Law School. He supports the ANU College of Law Indigenous Programme and works closely with the Tjabal Centre. Professor Wood's areas of research and teaching interest include legal ethics, constitutional law, humanitarian law, International law and the treatment of Indigenous peoples within legal frameworks other than their own normative systems. 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.

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
Professor Barbara Pocock AM	3	3
Associate Professor Elizabeth Hill	3	3
Dr David Morawetz	2	2
Dr Elizabeth Cham	3	2
Mr Josh Bornstein	3	3
Mr Andrew Dettmer	3	3
Ms Alexandra Sloan AM	3	3
Professor Asmi Wood	2	2

Directors appointments and resignations

Dr David Morawetz	Term ended 6 November 2021
Professor Barbara Pocock AM	Resigned 20 March 2021
Professor Asmi Wood	Appointed 6 November 2021

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 2021 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 22 day of December 2021

Director: ______________________
Alexandra Sloan AM

Dated this 22 day of December 2021

AUDITOR'S INDEPENDENCE DECLARATION

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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 2021 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 22nd day of December 2021

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 – Reduced Disclosure Requirements; and
   b. give a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Director: ______________________

John McKinnon

Dated this 22 day of December 2021

Director: ______________________

Alexandra Sloan AM

Dated this 22 day of December 2021

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 2021

	Note	2021	2020
		$	$
Revenue and other income	2	7,019,098	4,467,326
Advertising and marketing		(568,391)	(478,387)
Audit fees		(14,750)	(14,225)
Commissioned research		(387,681)	(124,683)
Depreciation and amortisation	3	(97,348)	(98,087)
Employment costs	3	(3,268,781)	(2,739,547)
Entertainment		(24,966)	(14,451)
Finance costs	3	(2,899)	(1,810)
Insurance		(28,390)	(22,418)
Occupancy		(46,323)	(37,898)
Polling		(140,123)	(99,000)
Professional fees		(286,134)	(180,014)
Travel and accommodation		(96,095)	(188,745)
Other		(453,241)	(229,906)
Surplus for the year		1,603,976	238,155
Other comprehensive income		-	-
Total comprehensive income for the year		1,603,976	238,155

STATEMENT OF FINANCIAL POSITION

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,982,765	3,476,315
Trade and other receivables	5	105,810	74,998
Financial assets	6	6,140,204	2,000,000
Other assets	7	65,363	33,085
TOTAL CURRENT ASSETS		8,294,142	5,584,398
NON-CURRENT ASSETS			
Property, plant and equipment	8	173,826	78,677
Right of use asset	9	132,710	201,951
TOTAL NON-CURRENT ASSETS		306,536	280,628
TOTAL ASSETS		8,600,678	5,865,026
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	333,764	179,894
Provisions	11	442,883	310,815
Other current liability	12	2,125,160	1,190,000
Lease liabilities – Right of use asset	13	71,282	72,945
TOTAL CURRENT LIABILITIES		2,973,089	1,753,654
NON-CURRENT LIABILITIES			
Provisions	11	37,026	48,807
Lease liabilities – Right of use asset	13	65,318	141,296
TOTAL NON-CURRENT LIABILITIES		102,344	190,103
TOTAL LIABILITIES		3,075,433	1,943,757
NET ASSETS		5,525,245	3,921,269
EQUITY			
Retained earnings		5,525,245	3,921,269
TOTAL EQUITY		5,525,245	3,921,269

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 2021

	Retained earnings	Total
	$	$
Balance at 1 July 2019	3,698,561	3,698,561
Comprehensive Income		
Restatement due to adoption of AASB 16	(15,447)	(15,447)
Net Surplus	238,155	238,155
Balance at 30 June 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

STATEMENT OF CASH FLOW

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Receipts from operations		8,218,825	5,713,566
Payments to suppliers and employees		(5,420,667)	(4,235,070)
Interest received	2	25,710	63,882
Net cash generated from operating activities		2,823,868	1,542,378
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,100	-
Purchase of plant and equipment	8	(124,545)	(35,065)
Net cash (used in) investing activities		(123,445)	(35,065)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for financial asset		(4,119,813)	(500,000)
Payment of lease liabilities		(74,160)	(72,397)
Net cash (used in) financing activities		(4,193,973)	(572,397)
Net (decrease) / increase in cash held		(1,493,550)	934,916
Cash and cash equivalents at beginning of financial year		3,476,315	2,541,399
Cash and cash equivalents at end of financial year	4	1,982,765	3,476,315

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 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Australia Institute Limited (the Company) applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 22 December 2021 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

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 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 2021

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. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated. 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021

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 (ie 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.

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 (ie 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 (eg 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 sick 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 sick 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021

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 has implemented remote working arrangements in response to government requirements and to ensure the wellbeing and safety of all 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. Fair Value of Assets and Liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

THE AUSTRALIA INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE

	Note	2021 $	2020 $
Revenue			
Commissioned research		185,030	137,000
Donations		6,288,004	3,960,134
Interest received		25,710	63,882
Australian Government Stimulus		459,257	248,000
Other income		61,097	58,310
Total revenue		7,019,098	4,467,326

NOTE 3: SURPLUS FOR THE YEAR

Expenses			
Employee benefits expense:		3,268,781	2,739,547
- contribution to defined contribution superannuation funds		269,432	233,951
Depreciation and amortisation		97,348	98,087
Interest expense on lease liabilities		2,899	1,810

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT			
Cash at bank	17	1,982,765	3,476,315

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT			
Trade receivables		93,333	74,998
Other receivables		12,477	-
		105,810	74,998
Total current trade and other receivables	17	105,810	74,998

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 2021 or 30 June 2020.

NOTE 6: FINANCIAL ASSETS

		2021	2020
		$	$
CURRENT			
Term Deposits	17	6,120,391	2,000,000
Bank Guarantee		19,813	-
		6,140,204	2,000,000
Total current assets		6,140,204	2,000,000

The 2021 Term Deposits include Income in Advance – please see Note 12.

NOTE 7: OTHER ASSETS

CURRENT		
Prepayments	65,363	33,085

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Office fit out – at cost	117,920	38,136
Less accumulated depreciation	(22,812)	(14,407)
Total Office fit out	95,108	23,729
Plant and equipment – at cost	171,249	137,443
Less accumulated depreciation	(92,531)	(82,495)
Total plant and equipment	78,718	54,948
Total property, plant and equipment	173,826	78,677

THE AUSTRALIA INSTITUTE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	54,948	23,729	78,677
Additions	44,452	80,093	124,545
Disposals	(10,645)	(308)	(10,953)
Depreciation write back	9,357	308	9,665
Depreciation expense	(19,394)	(8,714)	(28,108)
Carrying amount at the end of the year	78,718	95,108	173,826

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	2021 $	2020 $
Leased premises	201,951	271,191
Less accumulated amortisation	(69,240)	(69,240)
Total right of use asset	132,710	201,951

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

	2021 $	2020 $
Amortisation expense	(69,240)	(69,240)
Finance costs	(2,899)	(1,810)
	(72,139)	(71,050)

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2021	2020
		$	$
CURRENT			
Trade payables		53,716	77,671
Other payables		262,507	86,287
GST and PAYG payable		17,541	15,936
Total trade and other payables		333,764	179,894
Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:		333,764	179,894
Less: GST and PAYG payables		(17,541)	(15,936)
Financial liabilities as trade and other payables	17	316,223	163,958

NOTE 11: PROVISIONS

	2021	2020
CURRENT		
Provision for employee benefits: long service leave	146,410	84,142
Provision for employee benefits: annual leave	296,473	226,673
	442,883	310,815
NON-CURRENT		
Provision for employee benefits: long service leave	37,026	48,807
	37,026	48,807
Total employee provisions	479,909	359,622

	Employee benefits	Total
	$	$
Analysis of total provisions		
Opening balance 1 July 2020	359,622	359,622
Movement in provision	120,287	120,287
Balance at 30 June 2021	479,909	479,909

THE AUSTRALIA INSTITUTE LIMITED
ABN 90 061 969 284

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

	2021	2020
	$	$
CURRENT		
Income in advance	2,125,160	1,190,000
	2,125,160	1,190,000

NOTE 13: LEASE LIABILITIES

	2021	2020
CURRENT		
Lease liability – Right of use asset	71,282	72,945
	71,282	72,945
NON-CURRENT		
Lease liability – Right of use asset	65,318	141,296
	65,318	141,296
Total lease liabilities	136,600	214,241

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

The Board resolved to return $407,400 in JobKeeper funds received in 2020/21. When the COVID crisis first hit in 2020 there was great uncertainty, and it was thanks to JobKeeper that the Company was able to guarantee all staff their jobs. Nonetheless, given the financial recovery of the Company in the latter half of the financial year, the Board decided it was appropriate to return the JobKeeper funds received for the year.

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	2021	2020
	$	$
Key management personnel compensation	714,990	769,378

NOTE 16: RELATED PARTY TRANSACTIONS

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 2021 there were no related party transactions (2020: Nil).

NOTE 17: 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	2021	2020
		$	$
Financial assets			
Cash and cash equivalents	4	1,982,765	3,476,315
Loans and receivables	5	105,810	74,998
Investment in term deposits	6	6,120,391	2,000,000
Total financial assets		8,208,966	5,551,313
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	10	316,223	163,958
Total financial liabilities		316,223	163,958

NOTE 18: FAIR VALUE MEASUREMENTS

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

NOTE 19: COMPANY DETAILS

The registered office and principal place of business of the Company at 30 June 2021 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 2021, 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 2021 and of its financial performance for the year then ended; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 2021 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 2021 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 – Reduced Disclosure Requirements and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

bellchambers barrett

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

James Barrett, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 22nd day of December 2021

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The Australia Institute

Research that matters.