

# The **Australia** Institute

Annual Report 2011–12





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# Overview of company details

The Australia Institute Limited presents its Annual Report for the financial year 2011–12.

The Australia Institute Limited

ACN 061 969 284 ABN 90 061 969 284

Directors: Lin Hatfield Dodds (Chairperson)

Elizabeth Cham

Meredith Edwards

Samantha Hardy

Gerardine (Ged) Kearney

David Morawetz

Benjamin Oquist

Barbara Pocock

Hugh Saddler

Spencer Zifcak

Executive Director: Dr Richard Denniss

Auditors: PKF Di Bartolo Diamond & Mihailaros

Bankers: bankMECU

St George Bank

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# Mission statement

## About The Australia Institute

The Australia Institute is the country's most influential progressive think tank. Based in Canberra, it conducts 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.

The Institute is funded by memberships, donations from philanthropic trusts and individuals, and commissioned research. 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 Philosophy

With new dilemmas confronting our society and our planet, a better balance is urgently needed. Unprecedented levels of consumption co-exist with extreme poverty. Technology has connected humanity as never before, yet civic engagement is declining. Environmental neglect continues despite heightened ecological awareness. If genuine progress is to be achieved, conscience, equity and concern for the future must be the guiding principles of our democracy. Socially just, environmentally responsible and economically viable solutions are possible, but only if insightful questions are combined with excellent research.

## Our Goal

The 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?

# From the Chair

## Lin Hatfield Dodds

Since joining the board of The Australia Institute in 2008 I have had the privilege of watching it consolidate its position as the country's leading progressive think tank. Under the leadership of Executive Director Richard Denniss the Institute has gone from strength to strength under the motto of 'research that matters'.

So it was with pleasure that I took over the position of Chair from Sarah Maddison in late September 2011. Sarah gave five years of great service and leadership to the Institute, including steering it through a transition period between Directors and the appointment of new board members. Sarah's commitment to progressive ideas and communicating them to further public debate was an asset to the organisation.

In 2011-12 the board welcomed Elizabeth Cham, former CEO of Philanthropy Australia, Samantha Hardy, Strategic Adviser to the Graeme Wood Foundation, and Ged Kearney, President of the Australian Council of Trade Unions. The new appointments have reinvigorated the board and helped to focus it on translating the impact of our research into fundraising opportunities so that the Institute's future can be made secure.

The Institute continues to be financially outgunned by the big conservative groups, but it certainly holds its own in the public debate, and in many cases, surpasses the influence of these groups in the contest for good ideas.

2011-12 was incredibly successful for the Institute, a product of the hard work put in by Richard and staff during the transition period. As well as publishing 24 research papers on issues ranging from the impact of the mining boom, access to legal aid, superannuation tax concessions, pokie machine reform and climate change, the Institute's media profile skyrocketed with Richard now writing a fortnightly column for The Canberra Times and The Australian Financial Review, as well as appearing monthly on Sky Lunchtime Agenda and regular appearances on ABC24's The Drum.

On behalf of the board I would like to acknowledge the support and encouragement of our members and supporters, without whom we would not be able to do what we do. The Australia Institute will continue to be a strong progressive voice for reform and we hope you are proud of what we have achieved so far.



# Executive Director's report

## Richard Denniss

A year ago there was no carbon price, I had just finished debating Lord Monckton at the National Press Club and The Australia Institute had never produced an infographic. Things move fast in modern politics, and think tanks have to work hard and fast to keep up.

2011–12 has been another extremely productive year for the Institute. We produced 24 research papers, had 58 opinion pieces published, featured in more than 6,000 media reports and started work developing our in-house infographic capacity which we will be launching in July 2012.

A particular highlight for the year was the opportunity to debate Lord Christopher Monckton at the National Press Club. While many questioned why I would participate in a debate with someone who is so impervious to evidence, I felt it was important to challenge his conspiracy theories with a national audience.

One of my main points was to ask whether Lord Monckton really believes that NASA under George Bush and the CSIRO under John Howard were part of this conspiracy? Did he believe that Andrew Peacock, John Howard, Brendan Nelson, Malcolm Turnbull and Tony Abbott, not to mention Arnold Schwarzenegger, Margaret Thatcher and Angela Merkel are in on it as well? Does Monckton really believe that these politicians as well as leading business people are all part of a warmest conspiracy?

The feedback I received was a bit of a mixed bag as to be expected. Many congratulated the Institute for being willing to publicly put the questions to Monckton that the media so often ignore, while others still believed he should not have been given a national platform. On reflection, I still believe it was the right thing to do: our motto is 'research at matters' and events like this are a great example of how we strive to ensure that our research changes lives and changes policies rather than simply gather dust on a shelf.

One of the most common questions I am asked is "how do you choose your research topics?" The short answer is that it is the hardest, but most interesting, part of my job. It's what I think about morning, noon and night, and it's what most of the conversations I have with staff and the board of the Institute are about.

The worst part of my job is deciding that we don't have the resources to undertake what we think would be important and useful research. To that end, the Institute launched its 'Love your think tank' fundraising drive in February. As we like to say, independent ideas can only come from independent funding and we literally couldn't do what we do without people who not only care about progressive ideas but are willing to help fund them.

Finally, the Institute runs a very lean administrative machine and I am proud of what we are able to achieve with our small team compared to the big conservative groups. As we head into 2012-13 I look forward to the Institute being front and centre of the policy debates, such as the impact of the mining boom, that are shaping the future of Australia.

# Research 2011–12

## Research papers

D Baker, *All the lonely people: Loneliness in Australia, 2001-2009*, June 2012

M Grudnoff, *Submission on Arrow Energy's Gladstone LNG Plant Proposal*, May 2012

R Denniss, and D Baker, *Are unemployment benefits adequate in Australia?* April 2012

M Grudnoff, *Pouring fuel on the fire*, April 2012

D Baker, *Match-making: Using data-matching to find people missing out on government assistance*, April 2012

D Baker, *Showing their helping hand: The selective promotion of government assistance*, April 2012

R Denniss and M Grudnoff, *Too much of a good thing? The macroeconomic case for slowing down the mining boom*, April 2012

M Grudnoff, *Job creator or job destroyer: An analysis of the mining boom in Queensland*, March 2012

R Denniss, J Fear and E Millane, *Justice for all*, March 2012

D Richardson, *CSG economic modelling: On the alleged benefits of the Santos coal seam gas project in North West NSW*, February 2012

R Denniss, *The use and abuse of economic modelling in Australia*, February 2012

D Richardson, *Casual Labour: A stepping stone to something better or part of an underclass*, January 2012

R Denniss, *Rubbery Figures: An examination of the claimed and likely cost of poker machine reform in Australia*, January 2012

R Denniss, *An analysis of the economic impacts of the China First mine*, December 2011

M Grudnoff, *Carbon Bloating: The unintended consequences of giving away free permits to big polluters*, November 2011

J Fear, *Polluted time: Blurring the boundaries between work and life*, November 2011

D Baker, *Bulky billing: Missing out on fair and affordable health care*, October 2011

R Denniss and D Baker, *What Price Dignity?* October 2011

D Richardson and R Denniss, *The Australian wine tax regime: Assessing industry claims*, September 2011



D Richardson and R Denniss, *Mining the truth: The rhetoric and reality of the commodities boom*, September 2011

D Richardson and R Denniss, *Mining Australia's productivity*, August 2011

M Grudnoff, *The direct costs of waiting for direct action*, August 2011

J Fear and R Denniss, *What you don't know can hurt you: How market concentration threatens internet diversity*, August 2011

D Baker, *The wage-penalty effect: The hidden cost of maternity leave*, July 2011

## Opinion pieces

All opinion pieces written by Institute staff can be downloaded from the website [www.tai.org.au](http://www.tai.org.au).

**Economic road map failure**, *The Canberra Times*, 8 July 2011

**Abbott's direct action plan on carbon is friendless**, *On Line Opinion*, 14 July 2011

**Denniss: My tactics for debating Monckton**, *Crikey*, 21 July 2011

**Debating Lord Monckton**, *The Drum*, 22 July 2011

**Direct Action: Good politics, bad policy**, *Australian Policy Online*, 29 July 2011

**The right gets it very wrong**, *The Canberra Times*, 5 August 2011

**Online won't destroy retail, it'll give us money to spend locally**, *Crikey*, 5 August 2011

**Abbott read from Mao's little green book of nonsense**, *The Punch*, 8 August 2011

**Big has become beautiful**, *The Canberra Times*, 20 August 2011

**Carbon tax: for Abbott it's appalling policy or appalling hypocrisy**, *Crikey*, 23 August 2011

**Who has power over the internet?** *On Line Opinion*, 23 August 2011

**Feel pain but no gain from boom**, *Courier Mail*, 24 August 2011

**Searching for transparent online competition**, *The Drum*, 25 August 2011

**Carbon price and the truth about 'truthiness'**, *Crikey*, 30 August 2011



**Despite your fears, dumping your bank won't end in tears**, *The Conversation*, 31 August 2011

**Asylum-seekers a distracting non-issue**, *The Canberra Times*, 2 September 2011

**It's all smiles for some, but mining boom benefits don't 'trickle down'**, *The Conversation*, 5 September 2011

**Abbott out of step on carbon**, *On Line Opinion*, 27 September 2011

**Footy codes not on level playing field in pokies fight**, *Crikey*, 27 September 2011

**Rise of the 'glibertarians'**, *The Canberra Times*, 30 September 2011

**Threat to our carbon efforts**, *The Canberra Times*, 15 October 2011

**The rising costs of Australian health**, *On Line Opinion*, 3 November 2011

**To state the bleeding obvious, more mining tax revenue is better than less**, *Crikey*, 30 November 2011

**A challenge to our leaders — why don't we legalise euthanasia?** *The Conversation*, 30 November 2011

**Go home. Get outa here. Spend some family time**, *The Punch*, 30 November 2011

**Green ideas gone bad**, *The Canberra Times*, 9 December 2011

**In Australia's New Carbon Tax, A Host of Missed Opportunities**, *Yale Environment 360*, 12 December 2011

**At home with contradictions**, *The Canberra Times*, 24 December 2012

**Whalers are an easy target**, *The Canberra Times*, 31 December 2012

**Pointless politics of gesture**, *The Canberra Times*, 7 January 2012

**An exclusive school system won't build an inclusive society**, *The Canberra Times*, 14 January 2012

**'Nonsense' of \$5b claim**, *The Canberra Times*, 21 January 2012

**Mining boom the real cause of our lost jobs**, *Herald Sun*, 24 January 2012

**Super rort for wealthy**, *The Canberra Times*, 4 February 2012

**When the powerful buy into the media, can the media still scrutinize the powerful?** *The Conversation*, 10 February 2012

**Mining industry's big lie**, *The Canberra Times*, 22 February 2012



**Solar subsidies just the tip of the energy policy confusion iceberg**, *Crikey*, 1 March 2012

**Action trumps 'vision'**, *The Canberra Times*, 3 March 2012

**Choice on tax is simple**, *The Canberra Times*, 17 March 2012

**Electricity industry shockers**, *The Canberra Times*, 31 March 2012

**What electricity will really cost under a carbon tax**, *Crikey*, 12 April 2012

**The government's clean energy bank and the Abbott-proof fence**, *Crikey*, 19 April 2012

**Put pressure on big banks**, *The Canberra Times*, 28 April 2012

**End of the price gouging**, *Australian Financial Review*, 3 May 2012

**As the miners look tough, the government looks weak**, *Crikey*, 7 May 2012

**How much tax is enough?** *The Canberra Times*, 12 May 2012

**Self-serving regulation**, *Australian Financial Review*, 17 May 2012

**Fantasy Budget: Richard Denniss on broadening the tax base**, *Crikey*, 22 May 2012

**Environment Protection and Biodiversity Act — The green tape slugfest that is the EPBC Act**, *Crikey*, 24 May 2012

**A tax of the developers**, *The Canberra Times*, 26 May 2012

**Debt is not the villain**, *Australian Financial Review*, 31 May 2012

**Miners cause problems then complain about them**, *ABC The Drum*, 4 June 2012

**Pharmacists' special case**, *The Canberra Times*, 9 June 2012

**Bosses flunk training 101**, *Australian Financial Review*, 14 June 2012

**The budget conundrum**, *The Canberra Times*, 23 June 2012

**Politicians rarely know best**, *Australian Financial Review*, 26 June 2012

**Newman is digging in wrong hole**, *Courier Mail*, 27 June 2012

**Rio+20 earns a minus mark for self-indulgent inaction**, *Crikey*, 28 June 2012

# 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 and will continue to work towards achieving this.

## 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 Governance Charter outlines the main corporate governance practices that are in place for the Institute and to which both the board collectively and the directors individually are committed. The conduct of the board is also governed by the Articles of Association.

The role of the board is to govern the organisation rather than to manage its day-to-day activities and needs to be considered in relation to specific policies, including the Strategic Plan, the Communications Strategy and the Risk Management Plan. 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.

## Board of directors

The Institute is governed by a board of 11 directors, which meets three times a year. All non-executive directors volunteer their time and receive no remuneration for serving on the Institute's board.



### **Research Committee**

The Research Committee provides quality control for externally-produced research projects and guidance and advice for inhouse research projects. Its members comprise Richard Denniss, Jon Altman, Alastair Greig, Tony McMichael, Barbara Pocock and Hugh Saddler.

### **Management**

The day-to-day operations of the Institute are conducted under the direction of the Executive Director, Dr Richard Denniss, who is assisted by the Director of Research David Baker and the Director of Media and Operations Serena Rogers.

## The board

<b>Lin Hatfield Dodds (Chair)</b>	National Director, UnitingCare Australia
<b>Richard Denniss</b>	Executive Director, The Australia Institute
<b>Elizabeth Cham</b>	Former CEO of Philanthropy Australia National umbrella body grantmaking trusts and foundations
<b>Meredith Edwards</b>	Emeritus Professor, University of Canberra
<b>Samantha Hardy</b>	Strategic Adviser, Graeme Wood Foundation
<b>Gerardine (Ged) Kearney</b>	President, Australian Council of Trade Unions
<b>David Morawetz</b>	Clinical/Counselling Psychologist Founder/Director of the Social Justice Fund
<b>Ben Oquist</b>	Chief of Staff, Senator Christine Milne
<b>Barbara Pocock</b>	Director, Centre for Work and Life, University of South Australia
<b>Hugh Saddler</b>	Managing Director, Energy Strategies Limited
<b>Spencer Zifcak</b>	Allan Myers Professor of Law, ACU and Barrister and Solicitor Supreme Court of Victoria



# The staff

## **Dr Richard Denniss**

### **Executive Director**

An economist by training, Richard has worked for the past 20 years in a variety of policy and political roles. In recent years he has been at the forefront of the national policy debates surrounding climate change policy and the Australian mining boom. He is an Adjunct Associate Professor at the Crawford School of Economics and Government at the Australian National University.

Prior to taking up his current position Richard was the Strategy Adviser to the Leader of the Australian Greens, Senator Bob Brown, was Chief of Staff to the then Leader of the Australian Democrats, Senator Natasha Stott Despoja, and held teaching and research jobs at Australian universities.

He has been appointed to a number of government advisory bodies, including the current review of Australia's retirement income system. He is known for his ability to translate economics issues into everyday language. Richard has published extensively in academic journals, has a fortnightly column in The Canberra Times and Australian Financial Review and was the co-author of the best-selling *Affluenza* (with Dr Clive Hamilton) and *An Introduction to Australian Public Policy: Theory and Practice* (with Dr Sarah Maddison).

## **David Baker**

### **Director of Research**

David has a Bachelor of Arts (Sociology) from Latrobe University and is currently studying for a Masters in Criminology. He has been a research officer with the Victorian Parliament and in a former life worked as an automotive designer. David's research interests include the social outcomes of government policy and the role and design of policy to improve social equity.

## **Serena Rogers**

### **Director of Media and Operations (Company Secretary)**

Serena studied communications and politics at the University of Canberra, graduating with a Bachelor of Communication (Journalism). She worked in the Federal Parliamentary Press Gallery for Dow Jones Newswires and Channel 9 before joining the office of Senator Natasha Stott Despoja in 2001 as a media adviser. She has worked in the UK for the London Borough of Ealing and the Audit Commission, specialising in local government relations.

## David Richardson

### Senior Research Fellow

David studied economics at Flinders University and completed post-graduate studies at the University of New England, later moving to the University of Western Australia where he taught economics. He moved to Canberra in the late-70s and worked in the economics section of the Legislative Research Service, part of the Parliamentary Library. During the Hawke/Keating Government he worked for Brian Howe and then for Senator Nick Bolkus during a period when he held a number of portfolios.

After Labor's loss at the 1996 election, David returned to the Parliamentary Library. He joined The Australia Institute in mid-2008. David's research focus includes taxation, labour-market issues, superannuation and banking.

## Matt Grudnoff

### Senior Economist

Matt studied at the University of Newcastle graduating with an Economics degree with Honours. He taught economics at the University for many years before moving to Canberra to work for the Australian Bureau of Statistics. He has also worked for the Department of Climate Change and Energy Efficiency. His research interests are in climate change policy and its impact on the economy. He also teaches economics with a focus on helping people engage in public debate.

## Ben Irvine

### Research Assistant

Ben has a Bachelor of Environmental Science with an Honours project in groundwater modelling at Flinders University and a Graduate Diploma in Applied Economics at Adelaide University. He has also worked as a database analyst programmer. His career focus is research and communication of ideas relating to economic, social and environmental policy.

Ben's duties at The Australia Institute include assisting the Executive Director, managing and programming our surveys and the in-house graphic design for our infographics.



## **Kerrie Tucker**

### **Community Liaison**

Kerrie has worked as an environmental and human rights activist since the 1980s. From 1995 to 2004, she represented the ACT Greens for three terms as Member for Molonglo in the ACT Legislative Assembly and has since worked as Executive Officer for ACT Shelter, advocating for the needs of people experiencing homelessness and housing stress. In 2005 and 2006, she was co-chair of Anti-Poverty Week in the ACT and continues to contribute to the community on a voluntary basis through her work as an individual member of the ACT Collaboration.

At The Australia Institute, Kerrie's part-time work involves community liaison. She engages with key policy makers, NGOs and the broader community to update them on the Institute's research findings, to seek their views on policy matters and to work collaboratively with them where possible to enable evidence-based development of public policy.

## **Bridget Griffiths**

### **Office Manager**

Bridget has a Bachelor of Science (Psychology) from the Australian National University and a Masters in International Relations (Peace and Conflict Resolution) from the University of Queensland. Prior to working at the Institute Bridget worked with NGOs and schools in the Democratic Republic of Congo, Kenya and Mozambique to develop and improve sustainable and culturally appropriate development goals and practice.



# Directors' report

For the year ended 30 June 2012

The Australia Institute's directors present their report on the company for the financial year ended 30 June 2012.

## Directors

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

- Barbara Ann Pocock
- Hugh David Walter Saddler
- Meredith Ann Edwards
- Sarah Maddison (ceased 30th September 2011)
- Spencer Zifcak
- Lin Hatfield Dodds
- Benjamin Richard Oquist (re-appointed 24th July 2012)
- Richard Denniss
- David Morawetz
- Elizabeth Cham
- Samantha Hardy (appointed 12th October 2011)
- Gerardine Kearney (appointed 12th October 2011)

## Principal Activities

The principal activities of the company during the year were Research and Development. There has been no significant change in the nature of these activities during the year.



## **Objectives**

The Australia Institute seeks to inform public debate and bring greater accountability to the democratic process. The 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?

## **Strategy For Achieving The Objectives**

1. Produce high quality research which positively influences policy and informs public debate
2. Effectively communicate research findings to key policy makers, NGOs, academics and the broader community in order to effect policy change
3. Sustain strategic relationships with targeted individuals/organisations
4. Increase fundraising in order to develop the Institute's resource base.

## **Results**

The net profit for the year ended 30 June 2012 was \$25,307 (2011 loss \$304,501).

## Information on Directors

The information on directors is as follows:

Director	Experience
Barbara Ann Pocock	Director, Centre for Work and Life, University of South Australia Deputy Chair of The Australia Institute
Hugh David Walter Saddler	Managing Director, Energy Strategies Limited
Meredith Ann Edwards	Emeritus Professor, University of Canberra
Sarah Maddison	Senior Associate Dean, School of Politics and International Relations, University of New South Wales
Spencer Zifcak	Allan Myers Professor of Law, ACU and Barrister and Solicitor, Supreme Court of Victoria
Lin Hatfield Dodds	National Director, UnitingCare Australia Chair of The Australia Institute
Benjamin Richard Oquist	Chief of Staff, Senator Christine Milne
Richard Denniss	Adjunct Associate Professor of Economics, Crawford School of Economics and Government, Australian National University Executive Director of The Australia Institute
David Morawetz	Clinical and counselling psychologist and founder and director of the Social Justice Fund
Elizabeth Cham	Former CEO of Philanthropy Australia (1996-2006), the national umbrella body for grantmaking trusts and foundations
Samantha Hardy	Strategic Adviser, Graeme Wood Foundation
Gerardine Kearney	President, Australian Council of Trade Unions



### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out within the annual report.

### Contributions on wind up

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to make a maximum contribution of \$10 towards meeting any outstanding obligations. At 30 June 2012, the total maximum amount that members of the company are liable to contribute if the company is wound up is \$120.

Signed in accordance with a resolution of Board of Directors.

Richard Denniss — Director

Hugh Saddler — Director

Dated: 24/10/12

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of The Australia Institute Limited**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2012 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Di Bartolo Diamond & Mihailaros



Ross Di Bartolo

Partner

Date: 24 October 2012



## Directors' declaration

The directors of the company declare that:

1. The Financial Statements and Notes are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2012 and performance for the year ended on that date of the company.
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.

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

Richard Denniss — Director

Hugh Saddler — Director

Dated: 24/10/12

# Auditor's report

## Report on the Financial Report

We have audited the accompanying financial report of The Australia Institute Limited (the company), which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

## Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



## Independence

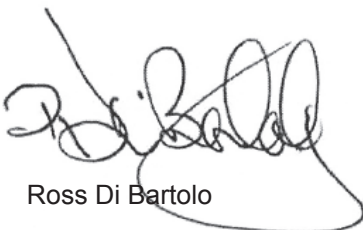
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 has been provided to the Directors of The Australia Institute Limited

## Auditor's Opinion

In our opinion, the financial report of The Australia Institute Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

PKF Di Bartolo Diamond & Mihailaros



Ross Di Bartolo

Partner

Canberra

Dated: 24 October 2012





CONSPIRACY!  
NOTHING BUT A  
CONSPIRACY...

INVOLVING JOHN HOWARD,  
GREENPEACE, NASA AND  
THE AUSTRALIA INSTITUTE?  
NOW I'M FEELING SCEPTICAL...

Katrusko



## **Support the work of The Australia Institute**

With your support we will be able to expand our influential program of research that matters.

Here are some ways you can assist the Institute's work:

### **Donations**

The best way to support our research is to make a tax deductible donation to our Research Fund. We accept one-off or regular donations.

### **Membership**

Membership is a valuable means of contributing to the work of the Institute. The annual fee is only \$50. Members receive the quarterly newsletter, along with a more regular e-bulletin. They also receive free hard copies of our publications and discounted admission to some Institute functions including public lectures and conferences.

### **Gift membership**

Looking for an original gift? Why not give the gift of great ideas? Gift vouchers for membership are available from the Institute and gift recipients receive full member benefits for their period of membership.

### **Free updates**

Sign up to receive our free monthly e-bulletin *Between the Lines*, which offers a selective analysis of the policies and politics affecting the wellbeing of Australians.

You can offer your support via the website [www.tai.org.au](http://www.tai.org.au) or by contacting the office on 02 6206 8700.