Australian Institute of Family Studies

STATEMENT BY THE DIRECTORS AND CHIEF FINANCE OFFICER

for the period ended 30 June 2013

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Alan Hayes AM Director 28 August 2013	Sue Tait Deputy Director Corporate and Strategy 28 August 2013	Susan Leong Chief Finance Officer 28 August 2013

Australian Institute of Family Studies
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2013

	Notes	2013 $	2012 $
EXPENSES			
Employee benefits	3A	8,277,859	7,319,921
Supplier	3B	4,748,578	2,391,673
Depreciation and amortisation	3C	363,677	299,349
Losses from asset sales	3D	13,939	6,186
Total expenses		13,404,053	10,017,129
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	9,585,282	5,831,148
Royalties	4B	31,738	130,830
Other revenue	4C	118,780	60,492
Total own-source revenue		9,735,800	6,022,470
Gains			
Sale of assets	4D	9,954	–
Other gains	4E	22,500	22,500
Total gains		32,454	22,500
Total own-source income		9,768,254	6,044,970
Net cost of services		3,635,799	3,972,159
Revenue from Government	4F	3,403,000	3,512,000
Surplus (deficit)		(232,799)	(460,159)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		83,689	–
Total other comprehensive income		83,689	–
Total comprehensive income (loss)		(149,110)	(460,159)

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

Australian Institute of Family Studies
BALANCE SHEET
as at 30 June 2013

	Notes	2013 $	2012 $
ASSETS			
Financial assets			
Cash and cash equivalents	5A	684,941	3,555,434
Trade and other receivables	5B	4,313,045	4,162,154
Total financial assets		4,997,986	7,717,588
Non-financial assets			
Buildings—leasehold improvements	6A, C	366,440	295,668
Plant and equipment	6B, C	863,834	983,577
Intangibles	6D, E	38,821	43,834
Other non-financial assets	6F	95,500	219,411
Total non-financial assets		1,364,595	1,542,490
Total assets		6,362,581	9,260,078
LIABILITIES			
Payables			
Suppliers	7A	255,358	190,219
Other payables	7B	2,893,646	5,804,897
Total payables		3,149,004	5,995,116
Provisions			
Employee provisions	8A	1,766,939	1,791,214
Total provisions		1,766,939	1,791,214
Total liabilities		4,915,943	7,786,330
Net assets		1,446,638	1,473,748
EQUITY			
Contributed equity		1,966,295	1,844,295
Reserves		83,689	–
Retained surplus (accumulated deficit)		(603,346)	(370,547)
Total equity		1,446,638	1,473,748

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

Australian Institute of Family Studies

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2013

	Retained earnings		Asset revaluation surplus		Contributed equity		Total equity	
	2013	2012	2013	2012	2013	2012	2013	2012
	$	$	$	$	$	$	$	$
Opening balance								
Balance carried forward from previous period	(370,547)	89,612	–	–	1,844,295	1,639,295	1,473,748	1,728,907
Total opening balance	(370,547)	89,612	–	–	1,844,295	1,639,295	1,473,748	1,728,907
Comprehensive income								
Other comprehensive income	-	–	83,689	–	-	–	83,689	–
Surplus (deficit) for the period	(232,799)	(460,159)	–	–	-	–	(232,799)	(460,159)
Total comprehensive income	(232,799)	(460,159)	83,689	–	-	–	(149,110)	(460,159)
Transactions with owners								
Contributions by owners								
Departmental Capital Budget	-	–	–	–	122,000	205,000	122,000	205,000
Sub-total transactions with owners	-	–			122,000	205,000	122,000	205,000
Closing balance as at 30 June	(603,346)	(370,547)	83,689	–	1,966,295	1,844,295	1,446,638	1,473,748

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

Australian Institute of Family Studies

CASH FLOW STATEMENT

for the period ended 30 June 2013

	Notes	2013 $	2012 $
OPERATING ACTIVITIES			
Cash received			
Appropriations		14,045,000	10,600,000
Sale of goods and rendering of services		8,008,220	10,016,383
Other		128,734	76,806
Total cash received		22,181,954	20,693,189
Cash used			
Employees		(8,339,598)	(7,138,847)
Suppliers		(5,126,200)	(2,993,378)
Section 31 receipts transferred to OPA		(11,134,851)	(6,868,366)
Net GST paid		(331,844)	(522,524)
Total cash used		(24,932,493)	(17,523,115)
Net cash from (used by) operating activities	9	(2,750,539)	3,170,074
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of leasehold improvements, plant and equipment		9,954	–
Total cash received		9,954	–
Cash used			
Purchase of leasehold improvements, plant and equipment		(239,952)	(316,991)
Total cash used		(239,952)	(316,991)
Net cash from (used by) investing activities		(229,998)	(316,991)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		110,044	316,991
Total cash received		110,044	316,991
Net cash from (used by) financing activities		110,044	316,991
Net increase (decrease) in cash held		(2,870,493)	3,170,074
Cash and cash equivalents at the beginning of the reporting period		3,555,434	385,360
Cash and cash equivalents at the end of the reporting period	5A	684,941	3,555,434

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

Australian Institute of Family Studies
SCHEDULE OF COMMITMENTS
as at 30 June 2013

	2013 $	2012 $
BY TYPE		
Commitments receivable		
Project commitments receivable[1]	(19,350,587)	(20,855,064)
Total commitments receivable	(19,350,587)	(20,855,064)
Commitments payable		
Other commitments		
Operating leases [2]	2,961,564	3,687,000
Project commitments	1,888,311	1,267,390
Net GST payable on commitments	1,243,605	1,384,075
Other commitments	891,105	675,847
Total other commitments	6,984,585	7,014,312
Net commitments by type	(12,366,002)	(13,840,752)
BY MATURITY		
Commitments receivable		
Project commitments receivable		
One year or less	(7,280,665)	(5,228,205)
From one to five years	(10,742,876)	(12,156,518)
Over five years	(1,327,047)	(3,470,341)
Total project commitments receivable	(19,350,588)	(20,855,064)
Commitments payable		
Operating lease commitments		
One year or less	783,449	767,070
From one to five years	2,178,116	2,919,930
Over five years	–	–
Total operating lease commitments	2,961,565	3,687,000
Project commitments payable		
One year or less	1,482,703	1,052,708
From one to five years	405,608	214,682
Total project commitments payable	1,888,311	1,267,390
Net GST payable on commitments		
One year or less	387,065	264,555
From one to five years	735,899	804,035
Over five years	120,641	315,485
Total net GST payable on commitments	1,243,605	1,384,075
Other commitments payable		
One year or less	810,972	498,324
From one to five years	80,133	177,523
Total other commitments payable	891,105	675,847
Net commitments by maturity	(12,366,002)	(13,840,752)

NB: Commitments are GST inclusive where relevant.

1 Project commitments receivable are based on known commitments for contracted research funds (ie. amount specified in contract agreement).

2 Operating leases included effectively are non-cancellable and comprise:

Lease for office accommodation

The Institute has entered into a 10-year tenancy agreement at 485 La Trobe Street, Melbourne, which runs to 28 February 2017. Lease payments are subject to an annual fixed percentage increase of 3.75%. The lease may be renewed for a further term of 5 years at the Institute's option, following a once-off adjustment of rental to market levels.

Agreements for the provision of motor vehicles to senior executive officers

No contingent rental exists. There are no renewal or purchase options available to the Institute.

The above schedule should be read in conjunction with the accompanying notes.

Australian Institute of Family Studies

SCHEDULE OF CONTINGENCIES

as at 30 June 2013

	2013	2012
	$	$
Contingent assets		
Guarantees	-	–
Indemnities	-	–
Claims for damages or costs	-	–
Total contingent assets	-	-
Contingent liabilities		
Guarantees	-	–
Indemnities	-	–
Claims for damages or costs	-	–
Total contingent liabilities	-	–
Net contingent assets (liabilities)	-	–

The above schedule should be read in conjunction with the accompanying notes.

Australian Institute of Family Studies

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2013

TABLE OF CONTENTS—NOTES

Note 1: Summary of significant accounting policies

1.1 Objectives of the Australian Institute of Family Studies

The Australian Institute of Family Studies (“the Institute”) is an Australian Government controlled entity.

It is a not-for-profit entity. The objectives of the Institute are to:

- conduct high-quality research relevant to policy and practice on a broad range of issues regarding families in Australia;
- expand the national knowledge base of factors affecting families through collaborative partnerships;
- increase the effectiveness of communications to foster greater understanding about factors that affect families; and
- build organisational capacity to achieve research and communication objectives.

The Institute is structured to meet a single outcome, namely to increase understanding of factors affecting how families function, by conducting research and communicating findings to policy-makers, service providers and the broader community.

The continued existence of the Institute in its present form and with its present programs is dependent on Government policy, and on continuing funding by Parliament and contract research revenue for the Institute’s administration and programs.

The Institute’s activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Institute in its own right.

1.2 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

a) Finance Minister’s Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars, and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Institute or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

Of the new standards, amendments to standards and interpretations issued prior to the signoff date and are applicable to the current reporting period, none have had a financial impact, and are not expected to have a future financial impact on the Institute.

Future Australian Accounting Standard requirements

Of the new standards, amendments to standards and interpretations that were issued by the Australian Accounting Standards Board prior to the signoff date and are applicable to the future reporting period and none are expected to have a future financial impact on the Institute.

1.5 Revenue

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer;

b) the Institute retains no managerial involvement nor effective control over the goods;

c) the revenue and transaction costs incurred can be reliably measured; and

d) it is probable that the economic benefits associated with the transaction will flow to the Institute.

The Institute receives contract revenue by conducting high-quality research relevant to policy and practice on a broad range of issues regarding families in Australia for various stakeholders. The key stakeholders comprise mainly other Commonwealth agencies, State Government agencies as well as non-government entities.

Revenue from rendering of contract services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and

b) the probable economic benefits associated with the transaction will flow to the Institute.

The stage of completion of contracts at the reporting date is determined by reference to either:

a) services performed to date as a percentage of total services to be performed; or

b) the proportion that costs incurred to date bear to the estimated total costs of the transaction; or

c) milestone achieved against provision in the contract.

Copyright royalty revenue for the use of the Institute's publications and bibliographic databases is recognised on an accrual basis.

Cost recovery which relates mainly to Comcare receipts and sponsorships of travel expenses is recognised on an accrual basis.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Institute gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (refer to Note 1.7). The Institute did not receive any contribution of assets in 2012–13 or 2011–12.

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as owner

Equity injections

Amounts appropriated which are designated as “equity injections” for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. The Institute was not involved in any restructuring of administrative arrangements in 2012–13 or 2011–12.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. There was no distribution to owners in 2012–13 or 2011–12.

1.8 Employee benefits

Liabilities for “short-term employee benefits” (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Institute is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Institute’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by use of the Department of Finance and Deregulation’s shorthand method using the standard Commonwealth sector probability profile. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

No provision has been made for separation and redundancy benefit payments as the Institute has not formally identified any positions as excess to requirements at 30 June 2013 (2012: nil).

Superannuation

The majority of the staff of the Institute are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulations administered schedules and notes.

The Institute makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Institute accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits. Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of the benefits derived from the leased assets.

The Institute has no finance leases.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand; and

b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.11 Financial assets

The Institute classifies its financial assets as loans and receivables.

The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon "trade date".

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at end of each reporting period.

Financial assets held at amortised cost—If there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

1.12 Financial liabilities

The Institute classifies its financial liabilities as “other financial liabilities”. This comprises suppliers and other payables that are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Financial liabilities are recognised and derecognised upon “trade date”.

1.13 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

To the best of the Institute’s knowledge, it was not exposed to any unrecognised contingencies that would have a material effect on the financial statements in 2012–13 or 2011–12.

1.14 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor’s accounts immediately prior to the restructuring.

1.15 Leasehold improvements, plant and equipment

Asset recognition threshold

Purchases of leasehold improvements, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than $1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measurement
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Following initial recognition at cost, leasehold improvements, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets’ fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable leasehold improvements, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Institute using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2013	2012
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 15 years	3 to 15 years

Impairment

All assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Institute were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of leasehold improvements, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.16 Intangibles

The Institute's intangibles comprise commercially purchased software and are recognised initially at cost in the Balance Sheet, except for purchases costing less than $10,000. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Institute's software are 3 to 5 years (2011–12: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2013.

1.17 Taxation

The Institute is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and

b) for receivables and payables.

1.18 Monitoring of constitutional and other legal requirements

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* (2012) 288 ALR 410, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Note 2: Events after the reporting period

The Minister for Finance and Deregulation signed a determination titled "Instrument to Reduce Appropriations (No. 1 of 2013–14)", which took effect on 13 August 2013. The amount of the reduction for the Australian Institute of Family Studies is $13,000 and has been reflected in a reduction of appropriation revenue for 2012–13.

There were no significant events after the reporting period that would significantly affect the ongoing structure and financial activities of the Institute.

Note 3: Expenses

	2013 $	2012 $
Note 3A: Employee benefits		
Wages and salaries	5,898,551	5,341,213
Superannuation:		
Defined contribution plans	737,483	562,341
Defined benefit plans	422,990	375,879
Leave and other entitlements	1,093,827	917,729
Other employee benefits	125,008	122,759
Total employee benefits	8,277,859	7,319,921
Note 3B: Suppliers		
Goods and services		
Consultants	299,848	225,320
Contractors	3,304,745	1,055,622
Travel	298,826	314,321
IT Services	219,964	179,564
Total goods and services	4,123,383	1,774,827
Goods and services are made up of:		
Provision of goods—related entities	16,800	9,353
Provision of goods—external parties	113,653	129,233
Rendering of services—related entities	220,238	104,257
Rendering of services—external parties	3,772,692	1,531,984
Total goods and services	4,123,383	1,774,827
Other supplier expenses		
Operating lease rentals—external parties:		
Minimum lease payments	558,301	555,449
Workers compensation expenses	66,894	61,397
Total other supplier expenses	625,195	616,846
Total supplier expenses	4,748,578	2,391,673

	2013	2012
	$	$

Note 3C: Depreciation and amortisation

Depreciation:		
Leasehold improvements	62,755	62,755
Plant and equipment	283,958	229,717
Total depreciation	346,713	292,472
Amortisation:		
Intangibles:		
Computer software	16,964	6,877
Total amortisation	16,964	6,877
Total depreciation and amortisation	363,677	299,349

Note 3D: Losses from asset sales

Plant and equipment:		
Proceeds from sale	–	–
Carrying value of assets sold	13,939	6,186
Selling expense	–	–
Total losses from asset sales	13,939	6,186

Note 4: Income

	2013 $	2012 $
OWN-SOURCE REVENUE		
Note 4A: Sale of goods and rendering of services		
Provision of goods—related entities	–	1,273
Provision of goods—external parties	15,914	47,561
Rendering of services—related entities	8,699,377	5,122,182
Rendering of services—external parties	869,991	660,132
Total sale of goods and rendering of services	9,585,282	5,831,148
Note 4B: Royalties		
Copyright	31,738	130,830
Total royalties	31,738	130,830
Note 4C: Other revenue		
Cost recovery	61,227	48,211
Other	57,553	12,281
Total other revenue	118,780	60,492
GAINS		
Note 4D: Sale of assets		
Plant and equipment		
Proceeds from sale	9,954	–
Carrying value of assets sold	–	–
Selling expense	–	–
Net gain from sale of assets	9,954	–
Note 4E: Other gains		
Resources received free of charge	22,500	22,500
Total other gains	22,500	22,500
REVENUE FROM GOVERNMENT		
Note 4F: Revenue from Government		
Appropriations:		
Departmental appropriations	3,403,000	3,512,000
Total revenue from Government	3,403,000	3,512,000

Note 5: Financial assets

	2013 $	2012 $
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	684,941	3,555,434
Total cash and cash equivalents	684,941	3,555,434
Note 5B: Trade and other receivables		
Good and services:		
Goods and services—related entities	112,477	176,605
Goods and services—external parties	29,573	322,305
Total receivables for goods and services	142,050	498,910
Appropriations receivable:		
For existing programs	4,145,283	3,640,476
Total appropriations receivable	4,145,283	3,640,476
Other receivables:		
Other receivables	25,712	22,768
Total other receivables	25,712	22,768
Total trade and other receivables	4,313,045	4,162,154
Receivables are expected to be recovered in:		
No more than 12 months	4,313,045	4,161,963
More than 12 months	–	191
Total trade and other receivables	4,313,045	4,162,154
Receivables are aged as follows:		
Not overdue	4,289,743	4,120,780
Overdue by:		
0 to 30 days	1,181	5,099
31 to 60 days	–	36,000
61 to 90 days	–	77
More than 90 days	22,121	198
Total receivables	4,313,045	4,162,154

Note 6: Non-financial assets

	2013 $	2012 $
Note 6A: Leasehold improvements		
Leasehold improvements:		
Fair value	266,440	421,140
Work in progress	100,000	–
Accumulated depreciation	–	(125,472)
Total leasehold improvements	366,440	295,668

No indicators of impairment were found for leasehold improvements.
No leasehold improvements are expected to be sold or disposed of within the next 12 months.
Work in progress is construction of workstations for the office re-layout.

Note 6B: Plant and equipment

	2013 $	2012 $
Plant and equipment:		
Fair value	868,121	1,414,930
Accumulated depreciation	(4,287)	(431,353)
Total plant and equipment	863,834	983,577

No indicators of impairment were found for plant and equipment.
No plant and equipment is expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30/06/2013, an independent valuer conducted the revaluations.
A revaluation increment of $33,527 for leasehold improvements (2012: nil) and increment of $50,162 for plant and equipment (2012: nil) were credited to the asset revaluation surplus by asset class and included in the equity section of Balance Sheet.

Note 6C: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment

	Leasehold improvements $	Plant & equipment $	Total $
Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment 2013			
As at 1 July 2012			
Gross book value	421,140	1,414,930	1,836,070
Accumulated depreciation and impairment	(125,472)	(431,353)	(556,825)
Net book value 1 July 2012	295,668	983,577	1,279,245
Additions (by purchase)	100,000	128,000	228,000
Revaluations increments	33,527	50,162	83,689
Disposals	–	(45,331)	(45,331)
Adjustment	–	(8)	(8)
Depreciation expense	(62,755)	(283,958)	(346,713)
Accumulated depreciation on disposals	–	31,392	31,392
Net book value 30 June 2013	366,440	863,834	1,230,274
Net book value as of 30 June 2013 represented by:			
Gross book value	366,440	868,121	1,234,561
Accumulated depreciation and impairment	–	(4,287)	(4,287)
Net book value 30 June 2013	366,440	863,834	1,230,274
Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment 2012			
As at 1 July 2011			
Gross book value	421,140	1,171,812	1,592,952
Accumulated depreciation and impairment	(62,718)	(222,349)	(285,067)
Net book value 1 July 2011	358,422	949,463	1,307,885
Additions (by purchase)	–	270,018	270,018
Disposals	–	(26,900)	(26,900)
Depreciation expense	(62,754)	(229,718)	(292,472)
Accumulated depreciation on disposals	–	20,714	20,714
Net book value 30 June 2012	295,668	983,577	1,279,245
Net book value as of 30 June 2012 represented by:			
Gross book value	421,140	1,414,930	1,836,070
Accumulated depreciation and impairment	(125,472)	(431,353)	(556,825)
Net book value 30 June 2012	295,668	983,577	1,279,245

Note 6D: Intangibles

	2013	2012
	$	$
Computer software:		
Purchased	166,712	154,760
Total computer software	166,712	154,760
Accumulated amortisation	(127,891)	(110,926)
Total computer software	38,821	43,834
Total intangibles	38,821	43,834

No indicators of impairment were found for intangible assets.
No intangibles is expected to be sold or disposed of within the next 12 months.

Note 6E: Reconciliation of the opening and closing balances of intangibles

	Computer software purchased
	$
Reconciliation of the opening and closing balances of intangibles 2013	
As at 1 July 2012	
Gross book value	154,760
Accumulated amortisation and impairment	(110,926)
Net book value 1 July 2012	43,834
Additions (by purchase)	11,952
Amortisation	(16,965)
Net book value 30 June 2013	38,821
Net book value as of 30 June 2013 represented by:	
Gross book value	166,712
Accumulated amortisation and impairment	(127,891)
Net book value 30 June 2013	38,821
Reconciliation of the opening and closing balances of intangibles 2012	
As at 1 July 2011	
Gross book value	107,788
Accumulated amortisation and impairment	(104,050)
Net book value 1 July 2011	3,738
Additions (by purchase)	46,972
Amortisation	(6,876)
Net book value 30 June 2012	43,834
Net book value as of 30 June 2012 represented by:	
Gross book value	154,760
Accumulated amortisation and impairment	(110,926)
Net book value 30 June 2012	43,834

Note 6F: Other non-financial assets

	2013 $	2012 $
Prepayments	95,500	219,411
Total other non-financial assets	95,500	219,411
Total other non-financial assets—are expected to be recovered in:		
No more than 12 months	68,155	212,092
More than 12 months	27,345	7,319
Total other non-financial assets	95,500	219,411

No indicators of impairment were found for other non-financial assets.

Note 7: Payables

Note 7A: Suppliers

	2013 $	2012 $
Trade creditors and accruals	255,358	190,219
Total supplier payables	255,358	190,219
Supplier payables expected to be settled within 12 months:		
Related entities	3,883	2,012
External parties	251,475	188,207
Total supplier payables	255,358	190,219

Settlement was usually made within 30 days.

Note 7B: Other payables

	2013 $	2012 $
Wages and salaries	177,287	164,071
Superannuation	32,227	29,085
Unearned income	2,096,911	4,699,945
Lease incentive	337,700	429,800
Lease payable	216,408	229,227
GST payable	33,545	253,136
Other	(432)	(367)
Total other payables	2,893,646	5,804,897
Total other payables are expected to be settled in:		
No more than 12 months	2,463,889	5,225,150
More than 12 months	429,757	579,747
Total other payables	2,893,646	5,804,897

Note 8: Provisions

Note 8A: Employee provisions

	2013	2012
	$	$
Leave	1,766,939	1,791,214
Total employee provisions	1,766,939	1,791,214
Employee provisions are expected to be settled in:		
No more than 12 months	484,518	399,643
More than 12 months	1,282,421	1,391,571
Total employee provisions	1,766,939	1,791,214

Note 9: Cash flow reconciliation

	2013	2012
	$	$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	684,941	3,555,434
Balance Sheet	684,941	3,555,434
Difference	–	–
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(3,635,800)	(3,972,159)
Add revenue from Government	3,403,000	3,512,000
Adjustments for non-cash items		
Depreciation/amortisation	363,677	299,349
Loss on disposal of assets	13,939	6,186
Gain on disposal of assets	(9,954)	–
Changes in assets/liabilities		
(Increase)/decrease in net receivables	731,326	275,359
(Increase)/decrease in prepayments	191,247	(125,448)
Increase/(decrease) in employee provisions	(7,915)	230,949
Increase/(decrease) in supplier payables	14,242	(48,225)
Increase/(decrease) in unearned income	(3,448,645)	2,975,114
Increase/(decrease) in lease incentive	(92,100)	(92,100)
Increase/(decrease) in lease payable	(12,820)	5,235
Increase/(decrease) in GST payable	(219,592)	112,761
Increase/(decrease) in other payables	(41,144)	(8,947)
Net cash from (used by) operating activities	(2,750,539)	3,170,074

Note 10: Contingent assets and liabilities

Quantifiable contingencies

The Schedule of Contingencies contains no contingent assets and no contingent liabilities in respect to 2013 (2012: nil).

Unquantifiable contingencies

At 30 June 2013, the Institute had no unquantifiable contingencies.

Significant remote contingencies

The Institute had no significant remote contingencies.

Note 11: Senior Executive remuneration

Note 11A: Senior Executive remuneration expense for the reporting period

	2013 $	2012 $
Short-term employee benefits:		
Salary	655,507	597,559
Annual leave accrued	50,957	48,524
Performance bonuses	–	–
Motor vehicle and other allowances	46,000	46,000
Total short-term employee benefits	752,464	692,083
Post-employment benefits:		
Superannuation	107,954	113,946
Total post-employment benefits	107,954	113,946
Other long-term benefits:		
Long-service leave	22,930	21,836
Total other long-term benefits	22,930	21,836
Termination benefits	–	–
Total Senior Executive remuneration expenses	883,348	827,865

Notes:
1. Note 11A was prepared on an accrual basis.
2. Note 11A excludes acting arrangements and part-year service where total remuneration expensed for a Senior Executive was less than $180,000.

Note 11B: Average annual reportable remuneration paid to substantive Senior Executives during the reporting period

Average annual reportable remuneration paid to substantive Senior Executives in 2013

Average annual reportable remuneration [1]	Substantive Senior Executives	Reportable salary [2]	Contributed super-annuation [3]	Report-able allowances [4]	Bonus paid [5]	Total reportable remuneration
	No.	$	$	$	$	$
Total remuneration (including part-time arrangements):						
$180,000 to $209,999	–	–	–	–	–	–
$210,000 to $239,999	2	178,338	31,902	23,000	–	233,240
$240,000 to $269,999	–	–	–	–	–	–
$270,000 to $299,999	–	–	–	–	–	–
$300,000 to $329,999	–	–	–	–	–	–
$330,000 to $359,999	1	298,410	48,584	–	–	346,994
$480,000 to $509,999	–	–	–	–	–	–
Total number of substantive Senior Executives	3					

Average annual reportable remuneration paid to substantive Senior Executives in 2012

Average annual reportable remuneration [1]	Substantive Senior Executives	Reportable salary [2]	Contributed super-annuation [3]	Reportable allowances [4]	Bonus paid [5]	Total reportable remuneration
	No.	$	$	$	$	$
Total remuneration (including **part−time arrangements):**						
$180,000 to $209,999	2	153,900	28,947	23,000	–	205,847
$210,000 to $239,999	–	–	–	–	–	–
$240,000 to $269,999	–	–	–	–	–	–
$270,000 to $299,999	–	–	–	–	–	–
$300,000 to $329,999	–	–	–	–	–	–
$330,000 to $359,999	1	284,769	48,497	–	–	333,266
$480,000 to $509,999	–	–	–	–	–	–
Total number of substantive Senior Executives	3					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. “Reportable salary” includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the “bonus paid” column);
   b) reportable fringe benefits (at the net amount prior to “grossing up” for tax purposes);
   c) exempt foreign employment income; and
   d) salary sacrificed benefits.
3. The “contributed superannuation” amount is the average cost of the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
4. “Reportable allowances” are the average actual allowances paid as per the “total allowances” line on individuals’ payment summaries.
5. “Bonus paid” represents average actual bonuses paid during the reporting period in that reportable remuneration band. The “bonus paid” within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the Institute during the financial year.

Note 11C: Average annual reportable remuneration paid to other highly paid staff during the reporting period

Average annual reportable remuneration paid to other highly paid staff in 2013

Average annual reportable remuneration [1]	Other highly paid staff	Reportable salary [2]	Contributed super-annuation [3]	Reportable allowances [4]	Bonus paid [5]	Total reportable remuneration
	No.	$	$	$	$	$
Total remuneration (including part−time arrangements):						
$180,000 to $209,999	–	–	–	–	–	–
$210,000 to $239,999	–	–	–	–	–	–
$240,000 to $269,999	–	–	–	–	–	–
$270,000 to $299,999	–	–	–	–	–	–
$300,000 to $329,999	–	–	–	–	–	–
$330,000 to $359,999	–	–	–	–	–	–
$480,000 to $509,999	–	–	–	–	–	–
Total number of other highly paid staff	–					

Average annual reportable remuneration paid to other highly paid staff in 2012

Average annual reportable remuneration [1]	Other highly paid staff	Reportable salary [2]	Contributed super-annuation [3]	Reportable allowances [4]	Bonus paid [5]	Total reportable remuneration
	No.	$	$	$	$	$
Total remuneration (including part−time arrangements):						
$180,000 to $209,999	–	–	–	–	–	–
$210,000 to $239,999	–	–	–	–	–	–
$240,000 to $269,999	–	–	–	–	–	–
$270,000 to $299,999	–	–	–	–	–	–
$300,000 to $329,999	–	–	–	–	–	–
$330,000 to $359,999	–	–	–	–	–	–
$480,000 to $509,999	–	–	–	–	–	–
Total number of other highly paid staff	–					

Notes:

1. This table reports staff:
   a) who were employed by the entity during the reporting period;
   b) whose reportable remuneration was $180,000 or more for the financial period; and
   c) were not required to be disclosed in Tables A, B or director disclosures.
   Each row is an averaged figure based on headcount for individuals in the band.
2. "Reportable salary" includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the "bonus paid" column);
   b) reportable fringe benefits (at the net amount prior to "grossing up" for tax purposes);
   c) exempt foreign employment income; and
   d) salary sacrificed benefits.
3. The "contributed superannuation" amount is the average cost of the entity for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.
4. "Reportable allowances" are the average actual allowances paid as per the "total allowances" line on individuals' payment summaries.
5. "Bonus paid" represents average actual bonuses paid during the reporting period in that reportable remuneration band. The "bonus paid" within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the Institute during the financial year.

Note 12: Remuneration of auditors

	2013	2012
	$	$
Financial statement audit services were provided free of charge to the Institute by the Australian National Audit Office (ANAO).		
The fair value of the services provided was:	22,500	22,500
	22,500	22,500

No other services were provided by the auditors of the financial statements.

Note 13: Financial instruments

	2013	2012
	$	$
Note 13A: Categories of financial instruments		
Financial assets		
Loans and receivables:		
Cash on hand or on deposit	684,941	3,555,434
Trade and other receivables	167,762	521,678
Total	852,703	4,077,112
Carrying amount of financial assets	852,703	4,077,112
Financial liabilities		
At amortised cost:		
Supplier payables	255,358	151,854
Total	255,358	151,854
Carrying amount of financial liabilities	255,358	151,854

Note 13B: Net income and expense from financial assets

There was no income or expense from financial assets—loans and receivables in the financial year ended 30 June 2013 (2012: nil).

Note 13C: Net income and expense from financial liabilities

There was no income or expense from financial liabilities—at amortised cost in the financial year ended 30 June 2013 (2012: nil).

Note 13D: Fair value of financial instruments

There were no financial instruments held at 30 June 2013 where the carrying amount is not a reasonable approximation of fair value (2012: nil).

Note 13E: Credit risk

The Institute was exposed to minimal credit risk as loans and receivables were cash, trade and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade and other receivables (2013: $167,762 and 2012: $521,678). The Institute has assessed that there is no risk of default on payment.

The Institute manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship and has no significant exposures to any concentrations of credit risk.

No financial instruments were impaired in 2013 (2012: nil).

The Institute holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2013 $	Not past due nor impaired 2012 $	Past due or impaired 2013 $	Past due or impaired 2012 $
Loans and receivables:				
Cash and cash equivalents	684,941	3,555,434	–	–
Trade and other receivables	144,460	480,304	23,302	41,374
Total	829,401	4,035,738	23,302	41,374

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total $
Loans and receivables:					
Trade and other receivables	1,181	–	–	22,121	23,302
Total	1,181	–	–	22,121	23,302

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days $	31 to 60 days $	61 to 90 days $	90+ days $	Total $
Loans and receivables:					
Trade and other receivables	5,099	36,000	77	198	41,374
Total	5,099	36,000	77	198	41,374

Note 13F: Liquidity risk

The Institute's financial liabilities were trade creditors. The exposure to liquidity risk is based on the notion that the Institute will encounter difficulty in meeting its obligations associated with financial liabilities.

This is highly unlikely as the Institute is funded by contract research revenue and receives appropriated funding from the Australian Government. The Institute manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Institute has policies in place to ensure timely payments are made when due and has no past experience of default.

All non-derivative financial liabilities mature within one year (2012: one year). The Institute has no derivative financial liabilities in either the current or prior year.

Note 13G: Market risk

The Institute holds basic financial instruments that do not expose the Institute to certain market risks.

The Institute was not exposed to "Currency risk", "Interest rate risk" or "Other price risk".

Note 14: Financial assets reconciliation

Financial assets	Notes	2013 $	2012 $
Total financial assets as per Balance Sheet		4,997,986	7,717,588
Less: non-financial instrument components:			
Appropriations receivable	5B	4,145,283	3,640,476
Total non-financial instrument components		4,145,283	3,640,476

Total financial assets as per financial instruments note	13A	852,703	4,077,112

Note 15: Appropriations

Table A: Annual appropriations ("recoverable GST exclusive")

	2013 appropriations						
	Appropriation Act		FMA Act				
	Annual approp-riation	Approp-riations reduced [1]	Section 30	Section 31	Total appropriation	Appropriation applied in 2013 (current and prior years)	Variance [3]
	$	$	$	$	$	$	$
DEPARTMENTAL							
Ordinary annual services	3,538,000	–	–	7,272,327	10,810,327	12,966,559	(2,156,232)
Total departmental	3,538,000	–	–	7,272,327	10,810,327	12,966,559	(2,156,232)

Notes:

1. Appropriations reduced under Appropriation Acts (No. 1, 3 & 5) 2012–13: sections 10, 11 and 12 and under Appropriation Acts (No. 2, 4 & 6) 2012–13: sections 12, 13 and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2013, there was no reduction in departmental and non-operating departmental appropriations.
2. In 2013, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
3. The variance is due to timing differences of receipt of funding and the appropriation applied.
4. The 2012–13 appropriation has been adjusted based on the Finance Minister Determination (dated 5 August 2013) and the Appropriation was reduced by $13,000.

	2012 appropriations						
	Appropriation Act		FMA Act				
	Annual approp-riation	Approp-riations reduced [1]	Section 30	Section 31	Total appropriation	Appropriation applied in 2012 (current and prior years)	Variance [3]
	$	$	$	$	$	$	$
DEPARTMENTAL							
Ordinary annual services	3,717,000	–	–	9,051,856	12,768,856	10,043,169	2,725,687
Total departmental	3,717,000	–	–	9,051,856	12,768,856	10,043,169	2,725,687

Notes:

1. Appropriations reduced under Appropriation Acts (No. 1 & 3) 2011–12: sections 10, 11, 12 and 15 under Appropriation Acts (No. 2 & 4) 2011–12: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2012, there was no reduction in departmental and non-operating departmental appropriations.
2. In 2012, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
3. The variance is due to timing differences of receipt of funding and the appropriation applied.

Table B: Departmental and administered capital budgets ("recoverable GST exclusive")

	2013 capital budget appropriations				Capital budget appropriations applied in 2013 (current and prior years)			
	Appropriation Act		FMA Act	Total capital budget approp-riations	Payments for non-financial assets [3]	Payments for other purposes	Total payments	Variance
	Annual capital budget	Approp-riations reduced [2]	Section 32					
	$	$	$	$	$	$	$	$
DEPARTMENTAL								
Ordinary annual services—Departmental capital budget [1]	122,000	–	–	122,000	(91,721)	–	(91,721)	30,279

Notes:

1. Departmental and administered capital budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2012–13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

	2012 capital budget appropriations				Capital budget appropriations applied in 2012 (current and prior years)			
	Appropriation Act		FMA Act	Total capital budget approp-riations	Payments for non–financial assets [3]	Payments for other purposes	Total payments	Variance
	Annual capital budget	Approp-riations reduced [2]	Section 32					
	$	$	$	$	$	$	$	$
DEPARTMENTAL								
Ordinary annual services—Departmental capital budget [1]	205,000	–	–	205,000	(316,991)	–	(316,991)	(111,991)

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2011–12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.
3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

Table C: Unspent annual appropriations ("recoverable GST exclusive")

	2013	2012
Departmental	$	$
Appropriation Act (No. 1) 2012–13	4,843,224	–
Appropriation Act (No. 1) 2011–12	–	6,943,244
Total	4,843,224	6,943,244

Note 16: Compliance with statutory conditions for payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessment in relation to compliance with statutory conditions on payments from special appropriations, including special accounts. The Institute does not have special appropriations. The Special Account was abolished on 19 October 2010 and there were no transactions in 2011–12. Therefore the risk of non compliance has been assessed as low.

During 2012–13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The Institute has reviewed its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The Institute has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department. The Institute is not aware of any specific breaches of Section 83 in respect of these items.

Note 17: Compensation and debt relief

	2013 $	2012 $
No “Act of Grace payments” were expended during the reporting period (2012: nil).	–	–
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012: nil).	–	–
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2012: nil).	–	–
No ex-gratia payments were provided for during the reporting period (2012: nil).	–	–
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* during the reporting period (2012: nil).	–	–

Note 18: Reporting of outcomes

	Outcome 1	
	2013	2012
	$	$

Note 18A: Net cost of outcome delivery

	2013 $	2012 $
Departmental		
Expenses	13,404,053	10,017,129
Income from non-government sector		
Activities subject to cost recovery	(885,905)	(707,693)
Goods and services income	(8,699,377)	(5,123,455)
Other own-source income	(182,972)	(213,822)
Net cost/(contribution) of outcome delivery	3,635,799	3,972,159

Note 18B: Major classes of departmental expense, income, assets and liabilities by outcomes

	2013 $	2012 $
Expenses:		
Employees	8,277,859	7,319,921
Suppliers	4,748,578	2,391,673
Depreciation and amortisation	363,677	299,349
Net loss from disposal of assets	13,939	6,186
Total	13,404,053	10,017,129
Income:		
Sale of goods and services	9,585,282	5,831,148
Income from government	3,403,000	3,512,000
Other non–taxation revenues	150,518	191,322
Other gains	32,454	22,500
Total	13,171,254	9,556,970
Assets:		
Cash and cash equivalents	684,941	3,555,434
Trade and other receivables	4,313,045	4,162,154
Buildings—leasehold improvements	366,440	295,668
Plant and equipment	863,834	983,577
Intangibles	38,821	43,834
Other non-financial assets	95,500	219,411
Total	6,362,581	9,260,078
Liabilities:		
Suppliers	255,358	190,219
Other payables	2,893,646	5,804,897
Employee provisions	1,766,939	1,791,214
Total	4,915,943	7,786,330

Outcome 1 is described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual budget outcome.

Note 19: Net cash appropriation arrangements

	2013	2012
	$	$
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	130,878	582
Plus: depreciation/amortisation expenses previously funded through revenue appropriations	363,677	299,349
Plus: operating loss arising from the impact of employee provisions from the decrease in the government bond rate	–	161,392
Total comprehensive income (loss)—as per Statement of Comprehensive Income	(232,799)	(460,159)

From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.