

Appendix 1

Finance

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INDEPENDENT AUDIT REPORT

To the Minister for Health and Aged Care

Scope

I have audited the financial statements of the Australian Institute of Health and Welfare for the year ended 30 June 2000. The financial statements comprise:

- Statement by Directors;
- Operating Statement;
- Balance Sheet;
- Statement of Cash Flows;
- Schedule of Commitments;
- Schedule of Contingencies; and
- Notes to and forming part of the Financial Statements.

The members of the Institute are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view of the entity which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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BARTON ACT
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Audit Opinion

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 2 of the Finance Minister's Orders; and
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 2 of the Finance Minister's Orders, of the financial position of the Australian Institute of Health and Welfare as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



Puspa Dash
Senior Director

Delegate of the Auditor-General

Canberra

8 September 2000



STATEMENT BY DIRECTORS

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 of the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* for the year ended 30 June 2000.

Professor J Reid
Chair
8 September 2000

Richard Madden
Director
8 September 2000

For health and welfare
statistics and information

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**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
OPERATING STATEMENT**

	Notes	2000 \$'000	1999 \$'000
Operating revenues			
Revenues from government	4A	8,270	7,865
Sales of goods and services	4B	9,066	8,550
Interest	4C	147	69
Other	4D	269	289
Total operating revenues		17,752	16,773
Operating expenses			
Employees	5A	10,265	9,003
Suppliers	5B	7,022	7,039
Depreciation and amortisation	5C	418	409
Write-down of assets	5D	14	19
Total operating expenses		17,719	16,470
Operating surplus		33	303
Net surplus		33	303
Net surplus attributable to the Commonwealth		33	303
Accumulated deficits at beginning of reporting period		(1,287)	(1,590)
Total available for appropriation		(1,254)	(1,287)
Accumulated deficits at end of reporting period		(1,254)	(1,287)

The above statements should be read in conjunction with the accompanying notes

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE

BALANCE SHEET

as at 30 June 2000

	Notes	2000 \$'000	1999 \$'000
ASSETS			
Financial assets			
Cash	6A	6,079	4,197
Receivables	6B	2,405	830
Total financial assets		8,484	5,027
Non-financial assets			
Buildings	7A,C	0	191
Infrastructure, plant and equipment	7B,C	467	647
Inventories	7D	212	147
Other	7E	147	133
Total non-financial assets		826	1,118
Total assets		9,310	6,145
LIABILITIES			
Provisions and payables			
Employees	8A	3,001	2,706
Suppliers	8B	841	630
Contract income in advance	8C	5,442	2,816
Total provisions and payables		9,284	6,152
Total liabilities		9,284	6,152
EQUITY			
Capital	9	1,146	1,146
Reserves	9	134	134
Accumulated deficits	9	(1,254)	(1,287)
Total equity		26	(7)
Total liabilities and equity		9,310	6,145
Current liabilities		7,040	4,300
Non-current liabilities		2,244	1,852
Current assets		8,843	5,301
Non-current assets		467	844

The above statements should be read in conjunction with the accompanying notes

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
STATEMENT OF CASH FLOWS
for the year ended 30 June 2000

	Notes	2000 \$'000	1999 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		8,111	7,703
Sales of goods and services		10,119	9,590
Interest		147	65
Other		241	248
Total cash received		18,618	17,606
Cash used			
Employees		(9,971)	(8,465)
Suppliers		(6,722)	(6,843)
Total cash used		(16,693)	(15,308)
Net cash from operating activities	10	1,925	2,298
INVESTING ACTIVITIES			
Cash used			
Purchase of infrastructure, plant and equipment		(43)	(97)
Total cash used		(43)	(97)
Net cash from investing activities		(43)	(97)
Net increase (decrease) in cash held		1,882	2,201
Add cash at the beginning of the reporting period		4,197	1,996
Cash at the end of reporting period		6,079	4,197

The above statements should be read in conjunction with the accompanying notes

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
SCHEDULE OF COMMITMENTS
as at 30 June 2000

	<u>2000</u>	<u>1999</u>
	\$'000	\$'000
BY TYPE		
OTHER COMMITMENTS		
Operating leases ¹	192	1,026
Other commitments ²	5,713	9,094
Total other commitments	<u>5,905</u>	<u>10,120</u>
Commitments receivable	<u>(3,949)</u>	<u>(7,461)</u>
Net commitments	<u>1,956</u>	<u>2,659</u>
BY MATURITY		
All net commitments		
One year or less	998	969
From one to two years	933	773
From two to five years	25	917
Net commitments	<u>1,956</u>	<u>2,659</u>
Operating lease commitments		
One year or less	(103)	(958)
From one to two years	(64)	(54)
From two to five years	(25)	(14)
Net operating lease commitments	<u>(192)</u>	<u>(1,026)</u>

NB: All 1999-00 commitments are GST inclusive where relevant. The comparatives have not been adjusted to reflect the GST.

¹ Operating leases included are effectively non-cancellable and comprise leases for office accommodation and lease of computer equipment.

² As at 30 June 2000, other commitments comprise amounts payable under agreements in respect of which the recipient is yet to either perform the services required to meet eligibility conditions.

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

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
SCHEDULE OF CONTINGENCIES
as at 30 June 2000

	2000	1999
	<u>\$'000</u>	<u>\$'000</u>
BY TYPE		
CONTINGENT LOSSES		
Other guarantees	<u>0</u>	<u>0</u>
Total contingent losses	<u><u>0</u></u>	<u><u>0</u></u>

There were no remote contingencies.

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

Note	Description
1	Summary of Significant Accounting Policies
2	Segment Reporting
3	Economic Dependency
4	Operating Revenues from Independent Sources
5	Operating Expenses- Goods and services
6	Financial Assets
7	Non-Financial Assets
8	Provisions and Payables
9	Equity
10	Cash Flow Reconciliation
11	External Financing Arrangements
12	Remuneration of Directors
13	Related Party Disclosures
14	Remuneration of Officers
15	Remuneration of Auditors
16	Appropriations
17	Financial Instruments

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

1 Summary of Significant Accounting Policies

1.1 Basis of accounting

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- *Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities* made by the Minister for Finance and Administration in August 1999 (Schedule 2 to the *Commonwealth Authorities and Companies (CAC) Orders*);
- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 2 issued by the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position of the Australian Institute of Health and Welfare (the Institute).

1.2 Reporting by Outcomes

The Institute is funded by Appropriation for one outcome only.

1.3 Appropriations

From 1 July 1999, the Commonwealth Budget has been prepared under an accruals framework. Under this framework, Parliament appropriates monies to the Institute as revenue appropriations, as loan appropriations and as equity injections.

Revenue Appropriations

Revenues from government are revenues of the core operating activities of the Institute.

Appropriations for outputs are recognised as revenue to the extent they have been received into the Institute's Bank account or are entitled to be received by the Institute at year end.

Resources Received Free of Charge

Services received free of charge are recognised in the Operating Statement as revenue 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 resources is recognised as an expense

1.4 Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Core Operations

All material revenues described in this note are revenues relating to the core operating activities of the Institute whether in their own right or on behalf of the Commonwealth. Details of revenue amounts are given in Note 4.

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

1.5 Employee Entitlements

Leave

The liability for employee entitlements 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 and is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2000 and is recognised at its nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2000. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Separation and redundancy

Provision is also made for separation and redundancy payments in cases where positions have been formally identified as excess to requirements, the existence of an excess has been publicly communicated, and a reliable estimate of the amount payable can be determined.

Superannuation

Employees contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme.

No liability is shown for superannuation in the Balance Sheet as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

1.6 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

1.7 Cash

Cash includes notes and coins held and any deposits held at call with a bank or financial institution.

1.8 Financial instruments

Accounting policies for financial instruments are stated at note 17.

1.9 Acquisition of Assets

The cost of acquisition includes the fair value of assets transferred and the liabilities undertaken.

1.10 Infrastructure, plant and equipment

Asset recognition threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, 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).

Revaluations

Schedule 2 requires that infrastructure, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation by no later than 1 July 1999 and thereafter be revalued progressively on that basis every three years.

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

The Institute has implemented its progressive revaluations to 1 July 1999 as follows:

- infrastructure, plant and equipment assets have been revalued in full as at 30 June 1999, by type of asset.

Leasehold improvements have not been revalued. The term of the existing lease expires in July 2000, and significant restructuring of leasehold has occurred since balance date as a result. All leasehold improvements will be revalued during the year ended 30 June 2001.

Assets in each class acquired after the commencement of the progressive revaluation cycle are not captured by the progressive revaluation then in progress

Infrastructure, plant and equipment is recognised at its depreciated replacement cost.

Any assets which would not be replaced or are surplus to requirements are valued at net realisable value. At 30 June 2000 there were no assets in this situation.

All valuations are independent.

Recoverable amount test

The carrying amount of each item of non-current infrastructure plant and equipment assets is reviewed to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

Depreciation and Amortisation

Depreciable infrastructure 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. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

	1999-2000	1998-99
Leasehold improvements	Lease Term	Lease term
Infrastructure plant and equipment	5 to 10 years	5 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

1.11 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

All inventories are current assets.

1.12 Taxation

The Institute is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

1.13 Comparative figures

Comparative figures have been adjusted to conform with changes in presentation in these financial statements where required.

1.14 Rounding

Amounts have been rounded to the nearest \$1,000 except in relation to the following:

- remuneration of directors;
- remuneration of officers (other than directors); and
- remuneration of auditors.

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

2 Segment reporting

The Institute operates in a single industry and geographic segment, being provision to government of health and welfare information in Australia. The Institute operates in the research industry.

The Institute is structured to meet one outcome:

Outcome 1: Knowledge, information and training for developing better strategies to improve the health of Australians.

Reporting by Outcome for 1999-00

	Total	
	Budget	Actual
Net cost of entity outputs	\$'000	\$'000
Net cost to budget outcome	8,512	8,237
	8,512	8,237
Total assets deployed as at 30/6/00	6,736	9,310
Net assets deployed as at 30/6/00	2	26

Reporting by Outcomes by funding source for 1999-00

Outcome	Outputs \$'000			Total Expenses against Outputs	Total Appropriations \$'000	Total Expenses \$'000
	Expenses against Revenue from Government Appropriations (B)		Expense against Revenue from other sources (C)	(D) = (B)		
	Annual Appropriation Acts	Total				
Outcome						
Actual	8,237	8,237	9,482	17,719	8,237	17,719
Budget	8,512	8,512	8,387	16,899	8,512	16,899
Total						

3 Economic dependency

The Institute is controlled by the Government of the Commonwealth of Australia.

The Institute is dependent on appropriations from Parliament of the Commonwealth for its continued existence and ability to carry out its normal activities.

The Institute is also dependent upon a significant volume of business with the Department of Health and Aged Care.

4 Operating revenue from independent sources

	2000 \$'000	1999 \$'000
4A Revenues from Government		
Appropriations	8,111	7,703
Resources received free of charge		
Provision of facilities by the Department of Health and Aged Care	159	162
Total	8,270	7,865
4B Sales of goods and services		
Contract income	9,066	8,550
4C Interest		
Deposits	147	69
4D Other revenues		
Consultancy	68	21
Recoveries	0	168
Publications	77	100
Conferences	65	0
Other	59	0
Total	269	289

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2000

5. Operating Expenses- Goods and Services

5A Employee expenses

Remuneration for services provided	10,198	9,003
Separation and redundancy	67	0
Total	10,265	9,003

The Institute contributes to the Commonwealth Superannuation (CSS) and the Public Sector (PSS) Superannuation schemes which provide retirement, death and disability benefits to employees. Contributions to the schemes are at rates calculated to cover existing and emerging obligations. Current contribution rates are 18.9% of salary (CSS) and 10.1% of salary (PSS). An additional 3% is contributed for employer productivity benefits. The Institute also meets its superannuation guarantee liabilities for employees that are not members of CSS or PSS.

5B Supplier's Expenses

Supply of goods and services	3,613	3,524
Operating lease rentals	981	1,020
Contracted services	2,428	2,495
Total	7,022	7,039

Contracted services above are comprised of:

National Perinatal Statistics Unit	440	388
Dental Statistics & Research Unit	518	516
National Reference Centre for Classification in Health	63	62
National Centre for Aboriginal & Torres Strait Islander Statistics	576	576
National Injury Surveillance Unit	755	753
Survey of General Practice Activity	0	200
Other	35	0
Department of Health and Aged Care	41	0
	2,428	2,495

5C Depreciation and amortisation

Depreciation of infrastructure, plant and equipment	203	211
Amortisation of leasehold improvements	192	181
Amortisation of discount on lease of computers	23	17
Total	418	409

The aggregate amounts of depreciation or amortisation allocated during the reporting period, as expense, for each class of depreciable asset are as follows:

Leasehold improvement	192	181
Plant and equipment	146	177
Furniture and Fitting	57	34
Deferred discount on lease of computers	23	17
	418	409

5D Write-down of assets

Financial assets:		
Receivables for goods and services	14	0
Non-financial assets:		
Inventory - write off	0	19
Total	14	19

6 Financial assets

6A Cash

Cash at bank and on hand	6,038	4,156
Department of Finance Imprest Account	41	41
	6,079	4,197
Balance of cash as at 30 June shown in the Statement of Cash Flows	6,079	4,197

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

6B Receivables		
Goods and services	2,405	830
Total	<u>2,405</u>	<u>830</u>
Receivables (gross) which are overdue are aged as follows:		
Not Overdue	1,126	762
<u>Overdue by:</u>		
- less than 30 days	1,257	66
- 30 to 60 days	22	2
-60 to 90 days	0	0
-more than 90 days	0	0
Total Receivables (gross)	<u>2,405</u>	<u>830</u>

7 Non-financial assets

7A Land and Buildings		
Leasehold improvements - at cost	786	786
Accumulated amortisation	(786)	(595)
Total Land and Buildings	<u>0</u>	<u>191</u>

7B Infrastructure Plant and Equipment		
Plant and equipment - at June1999 valuation	647	647
Accumulated depreciation	(202)	0
	<u>445</u>	<u>647</u>
Plant and equipment - at cost	24	0
Accumulated depreciation	(2)	0
	<u>22</u>	<u>0</u>
Total Infrastructure Plant and Equipment	<u>467</u>	<u>647</u>

The revaluation of non-financial assets as at 30 June 1999 in accordance with the revaluation policies stated at Note 1 was completed by an independent valuer Australian Valuation Office. Revaluation increment of \$133,631 was transferred to the asset revaluation reserve in 1998-99.

7C	Analysis of infrastructure, plant and equipment			
	Item	Buildings	Plant and Equipment	Total
		\$'000	\$'000	\$'000
	Gross value as at 1 July 1999	786	647	1,433
	Additions	0	24	24
	Disposals	0	0	0
	Transfers	0	0	0
	Gross value as at 30 June 2000	<u>786</u>	<u>671</u>	<u>1,457</u>
	Accumulated depreciation/ amortisation as at 1 July 1999	595	0	595
	Adjustment for disposals	0	0	0
	Depreciation/amortisation charge for assets held 1 July 1999	191	202	393
	Depreciation/amortisation charge for additions	0	2	2
	Transfers	0	0	0
	Accumulated depreciation/ amortisation as at 30 June 2000	<u>786</u>	<u>204</u>	<u>990</u>
	Net book value as at 30 June 2000	<u>0</u>	<u>467</u>	<u>467</u>
	Net book value as at 1 July 1999	191	647	838

7D Inventories

All inventories are current assets

Inventories held for sale	<u>212</u>	<u>147</u>
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AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2000

7E Other non-financial assets				
Deferred discount on lease of computers		0		23
Prepayments		147		110
Total		147		133
8 Provisions and Payables				
8A Employees				
Salaries and wages		279		428
Annual leave		1,009		797
Long service leave		1,713		1,481
Aggregate employee entitlement liability		3,001		2,706
8B Suppliers				
Trade		841		630
Total		841		630
8C Contract income in advance				
Contract income		5,442		2,816
Total		5,442		2,816
9 Equity				
		Asset		
		Capital	Revaluation	Accumulated
Item	Capital	Reserves	Results	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance @ 1 July 1999	1,146	134	(1,287)	(7)
Operating result - 99/00	-	0	33	33
Balance @ 30 June 2000	1,146	134	(1,254)	26
10 Cash flow reconciliation				
Reconciliation of net cash flows used by operating activities to net cost of service		2000		1999
		\$'000		\$'000
Operating surplus/(deficit)		33		303
Depreciation and amortisation of infrastructure plant & equipment		418		409
Write down of assets		0		19
Loss on disposal of infrastructure, plant & equipment		0		0
Changes in assets and liabilities				
(Increase)decrease in receivables			(1,576)	617
Increase(decrease) in employee liabilities			294	539
(Increase)decrease in inventory			(65)	(6)
Increase(decrease) in liability to suppliers			210	40
Increase(decrease) in other payables			2,625	377
(Increase)/decrease in other Assets			(14)	0
Net cash provided by operating activities			1,925	2,298
11 External Financing Arrangements				
The Institute has access to an overdraft facility of \$100,000 with the Commonwealth Bank.				
12 Remuneration of Directors				
Aggregate amount of superannuation payments in connection with the retirement of Directors		58,768		35,189
Other remuneration received or due and receivable by Directors of the Institute		223,541		230,251
Total remuneration received or due and receivable by Directors of the Institute		282,309		265,440

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2000

The number of Directors of the Institute included in these figures are shown below in the relevant remuneration bands:

	Number	
• \$Nil - \$10,000	2	8
• \$10,001 - \$20,000	1	1
• \$80,001 - \$90,000	1	1
• \$160,001 - \$170,000	1	1
	5	11

Directors of the Australian Institute of Health and Welfare are the members of the Institute. The Officers receive no additional remuneration for these duties.

13 Related party disclosures

Directors of the Institute

The Directors of the Institute during the year were:

Professor J Reid (Chairperson)
Dr R Madden (Director)
Mr A Podger
Ms L Apelt (Appointed 22/9/99)
Mr I Procter (Appointed 22/9/99)
Ms E Davies (Appointed 22/9/99)
Mr David Butt (Appointed 22/9/99)
Ms L Elliott
Mr T Skinner
Dr S Hacker

The aggregate remuneration of Directors is disclosed in Note 12.

	2000	1999
	\$	\$
14 Remuneration of Executive Officers		
Income received or due and receivable by executive officers	541,902	463,229

The number of executive officers included in these figures are shown below in the relevant remuneration bands:

	Number	
\$100,000 - \$110,000	0	0
\$110,001 - \$120,000	0	4
\$120,001 - \$130,000	1	0
\$130,001 - \$140,000	2	0
	3	4

The executive officer remuneration includes all officers concerned with or taking part in the management of the economic entity during 1999-00 except the Director and a proportion of the remuneration for executive officers who were acting Directors during the year. Details in relation to those Directors have been incorporated into Note 12 - Remuneration of Directors.

Performance pay has been excluded from the calculation of officer remuneration. The aggregate amount of performance pay received, or due and receivable, by officers was \$20,000. (1998-99 \$10,000).

	2000	1999
	\$	\$
15 Remuneration of Auditors		
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	14,000	14,000

No other services were provided by the Auditor-General during the reporting period.

16

Appropriations

The Institute received \$8.270m in appropriations during the year out of the Consolidated Revenue Fund.

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2000

17 Financial Instruments

17A Terms, conditions and accounting policies

Financial Instruments	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Receivables for goods and services	6B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 14 days (1998-99; 14 days).
Other debtors	6B	As for receivables for goods and services.	As for receivables for goods and services.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade creditors	8B	Creditors and accruals are recognised at their nominal amounts, being the amount at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days (1998-99; 30 days)

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Note 17 Financial Instruments (cont.)

17B Interest rate risk

Financial Instrument	Notes	Floating interest rate		Non-Interest bearing		Total		Weighted Average Effective Interest Rate	
		99-00 \$'000	98-99 \$'000	99-00 \$'000	98-99 \$'000	99-00 \$'000	98-99 \$'000	99-00 %	98-99 %
Cash at bank and on hand	6A	6079	4197			6079	4197	2.65	3.75
Receivables for goods and Services	6B			2405	830	2405	830	n/a	n/a
Total Financial Assets (Recognised)		6079	4197	2405	830	8484	5027		
Total assets						9310	6145		

Financial Instrument	Notes	Floating interest rate		Non-Interest bearing		Total		Weighted Average Effective Interest Rate	
		99-00 \$'000	98-99 \$'000	99-00 \$'000	98-99 \$'000	99-00 \$'000	98-99 \$'000	99-00 %	98-99 %
Trade Creditors	8B			841	630	841	630	n/a	n/a
Total Financial Liabilities (Recognised)				841	630	841	630		
Total liabilities						9284	6152		

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17C **Foreign exchange risk**

The Institute has not entered into any foreign currency transactions.

17D **Credit risk exposures**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of the Institute is considered to be very low as the majority of the Institute's clients are Commonwealth Government agencies.

17E **Net fair values of financial assets and liabilities.**

The net fair value of the Institute's financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

