

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

1.12 Investments

Investments are initially measured at their fair value.

After initial recognition, financial assets are to be measured at their fair values except for

- a) loans and receivables which are measured at amortised cost using the effective interest method,
- b) held-to-maturity investments which are measured at amortised cost using the effective interest method, and
- c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

1.13 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires.

1.14 Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments 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 Income Statement.

Financial Assets held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Available for Sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

1.15 Suppliers and Other Payables

Suppliers and other payables 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).

1.16 Contingent Liabilities and Contingent Assets

Contingent Liabilities and 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 existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 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 revenues 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 authority's accounts immediately prior to the restructuring.

1.18 Property, Plant and Equipment (PP&E)

Asset Recognition Threshold

Purchases of property, 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).

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

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. This is particularly relevant to 'makegood' provisions in property leases taken up by the Institute where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Institute's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

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

Asset class	Fair value measured at:
Buildings-Leasehold Improvements	Depreciated replacement cost
Plant and equipment	Market selling price
Library Collection	Market selling price

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

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit except to the extent that they reverse 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 property, 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.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

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:

	<u>2007</u>	<u>2006</u>
Leasehold improvements	Lease term	Lease term
Plant and Equipment	5 to 10 years	5 to 10 years
Library Collection	7 to 10 years	7 to 10 years

Impairment

All assets were assessed for impairment at 30 June 2007. 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.

1.19 Intangibles

The Institute's intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Institute's software is 3 to 5 years (2005-06: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2007.

1.20 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

1.21 Taxation

The Institute is exempt from all forms of taxation except goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Note 2: Events after the Balance Date

There were no events that occurred after the balance date that would affect the balances in the financial statements.

Note 3: Income

<i>Revenue</i>	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
<u>Note 3A: Revenues from Government</u>		
Appropriations		
Departmental outputs	8,625	8,549
<i>Total revenue from Government</i>	<u>8,625</u>	<u>8,549</u>
<u>Note 3B: Sale of goods and rendering of services</u>		
Provision of goods – related entities	4	2
Provision of goods – external entities	93	68
<i>Total sale of goods</i>	<u>97</u>	<u>70</u>
Rendering of services – related entities	11,620	10,266
Rendering of services – external entities	4,583	3,996
<i>Total rendering of services</i>	<u>16,203</u>	<u>14,262</u>
<i>Total sale of goods and rendering of services</i>	<u>16,300</u>	<u>14,332</u>
<u>Note 3C: Interest</u>		
Deposits	353	280
<i>Total interest</i>	<u>353</u>	<u>280</u>
<u>Note 3D: Other revenues</u>		
Conference income	2	109
Other	6	5
<i>Total other revenues</i>	<u>8</u>	<u>114</u>

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Note 4: Expenses		
<u>Note 4A: Employees benefits</u>		
Wages and salaries	11,920	11,563
Superannuation	2,127	2,133
Leave and other entitlements	1,366	1,370
Other employee expenses	13	6
<i>Total employee benefits</i>	<u>15,426</u>	<u>15,072</u>
<u>Note 4B: Suppliers</u>		
Provision of goods – external entities	486	534
Rendering of services – related entities	396	433
Rendering of services – external entities	7,219	5,237
Operating lease rentals: minimum lease payments	1,161	1,133
Workers compensation premiums	138	148
<i>Total supplier expenses</i>	<u>9,400</u>	<u>7,485</u>
<u>Note 4C: Depreciation and amortisation</u>		
Depreciation:		
Leasehold improvements	150	243
Infrastructure, plant and equipment	186	187
Library collection	50	57
<i>Total depreciation</i>	<u>386</u>	<u>487</u>
Amortisation:		
Intangibles		
Computer software	202	172
<i>Total amortisation</i>	<u>202</u>	<u>172</u>
<i>Total depreciation and amortisation</i>	<u>588</u>	<u>659</u>

Depreciation expenses are \$144,000 lower (2005-06: \$8,000 lower) than they would have been as a result of the extension of useful lives of leasehold improvements and plant and equipment assets and the re-assessment of residual values for assets that were revalued at 30 June 2006 and 30 June 2005.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

	2007	2006
	\$'000	\$'000
<u>Note 4D: Write-down of assets</u>		
Inventory – write down to net realisable value	2	35
Library collection – revaluation decrement	151	-
Infrastructure, plant and equipment – revaluation decrement	34	-
<i>Total write down of assets</i>	187	35

<u>Note 4E: Net losses from sale of assets</u>		
Net book value of infrastructure, plant and equipment	10	7
Less: Proceeds from sale	1	2
<i>Net loss from disposal of infrastructure, plant and equipment</i>	9	5

Note 5: Financial Assets

<u>Note 5A: Cash and cash equivalents</u>		
Cash on hand or on deposit	7,133	4,906
<i>Total cash and cash equivalents</i>	7,133	4,906

Surplus cash is invested in term deposits and is represented as cash and cash equivalents.

<u>Note 5B: Receivables</u>		
Goods and services	4,479	4,305
Other receivables	122	43
<i>Total receivables (gross)</i>	4,601	4,348

Receivables are aged as follows:

Not overdue	4,223	4,155
Overdue by:		
Less than 30 days	371	193
30 – 60 days	6	-
60 – 90 days	1	-
<i>Total receivables (gross)</i>	4,601	4,348

Receivables is represented by:

Current	4,601	4,348
Non-current	-	-
<i>Total receivables (gross)</i>	4,601	4,348

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Note 6: Non-Financial Assets		
<u>Note 6A: Buildings</u>		
<i>Leasehold improvements</i>		
- fair value	1,069	913
- accumulated depreciation	-	-
	<u>1,069</u>	<u>913</u>
- deferred makegood expense	423	281
- accumulated depreciation	-	(70)
	<u>423</u>	<u>211</u>
<i>Total Buildings (non-current)</i>	<u>1,492</u>	<u>1,124</u>

No indicators of impairment were found for leasehold improvements.

Note 6B: Infrastructure, plant and equipment

<i>Plant and Equipment</i>		
- fair value	363	741
- work in progress	-	17
	<u>363</u>	<u>758</u>
- accumulated depreciation	-	(185)
<i>Total Plant and Equipment (non-current)</i>	<u>363</u>	<u>573</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. In 2006-07, an independent valuer conducted the revaluations.

A revaluation increment of \$437,000 for leasehold improvements (2006:\$596,000), a decrement of \$139,000 for plant and equipment (2006: Nil) and a decrement of \$151,000 for the Library collection (2006: Nil) were processed at 30 June 2007. These were accounted for in the Asset Revaluation Reserve and the Income Statement.

Note 6C: Library Collection

- fair value	350	558
- accumulated depreciation	-	(57)
<i>Total Library Collection (non-current)</i>	<u>350</u>	<u>501</u>

No indicators of impairment were found for property, plant and equipment.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 6D: Analysis of Property, Plant and Equipment

TABLE A — Reconciliation of the opening and closing balances of property, plant and equipment (2006-07)

	Buildings-Leasehold Improvements \$'000	Infrastructure Plant and Equipment \$'000	Other Plant and Equipment \$'000	Library Collection \$'000	Total \$'000
As at 1 July 2006					
Gross book value	1,194		758	558	2,510
Accumulated depreciation/amortisation	(70)		(185)	(57)	(312)
Net book value	1,124		573	501	2,198
Additions by purchase	23		142	50	215
Revaluations	437		(139)	(151)	147
Change in estimate of makegood value	58		-	-	58
Depreciation expense	(150)		(186)	(50)	(386)
Write back of depreciation on disposal	-		6	-	6
Disposals	-		(16)	-	(16)
Transfer of work in progress	-		(17)	-	(17)
Net book value 30 June 2007	1,492		363	350	2,205
Net book value as of 30 June 2007 represented by:					
Gross Book Value	1,492		363	350	2,205
Accumulated depreciation/amortisation	-		-	-	-
	1,492		363	350	2,205

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

TABLE A — Reconciliation of the opening and closing balances of property, plant and equipment (2005-06)

	Buildings-Leasehold Improvements \$'000	Other Infrastructure Plant and Equipment \$'000	Library Collection \$'000	Total \$'000
As at 1 July 2005				
Gross book value	784	670	506	1960
Accumulated depreciation/amortisation	(30)	-	-	(30)
Net book Value	754	670	506	1,930
Additions by purchase	17	95	52	164
Net revaluation increment/(decrement)	596	-	-	596
Depreciation expense	(243)	(187)	(57)	(487)
Write back of depreciation on disposal	-	2	-	2
Disposals	-	(7)	-	(7)
Net book value as of 30 June 2006	1,124	573	501	2,198
Net Book Value as of 30 June 2006 represented by:				
Gross book value	1,194	758	558	2,510
Accumulated depreciation/amortisation	(70)	(185)	(57)	(312)
	1,124	573	501	2,198

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Note 6E: Intangibles		
Computer software		
- purchased – in use	134	134
- accumulated amortisation	(99)	(62)
	35	72
- Work in progress	-	32
- internally developed – in use	775	725
- accumulated amortisation	(332)	(167)
	443	558
Total Intangibles (non-current)	478	662

No indications of impairment were found for intangibles.

TABLE A — Reconciliation of the opening and closing balances of Intangibles (2006-07)

	Computer software – internally developed \$'000	Computer software – purchased (in use) \$'000	Computer software – purchased (in progress) \$'000	Total \$'000
As at 1 July 2006				
Gross value	725	134	32	891
Accumulated depreciation/amortisation and impairment	(167)	(62)	0	(229)
Net Book Value 1 July 2006	558	72	32	662
Additions:				
by purchase or internally developed	50	0	0	50
Transfers	0	0	(32)	(32)
Amortisation	(165)	(37)		(202)
Net book value 30 June 2007	443	35	0	478
Net book value as of 30 June 2007:				
As at 30 June 2007				
Gross Book Value	775	134	0	909
Accumulated depreciation/amortisation	(332)	(99)	0	(431)
	443	35	0	478

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

TABLE A — Reconciliation of the opening and closing balances of Intangibles (2005-06)

	Computer software – internally developed \$'000	Computer software – purchased (in use) \$'000	Computer software – purchased (in progress) \$'000	Total \$'000
As at 1 July 2005				
Gross value	651	134	-	785
Accumulated depreciation/amortisation	(32)	(25)	-	(57)
Net book value 1 July 2005	619	109	-	728
Additions				
by purchase or internally developed	74	-	32	106
Depreciation/amortisation expense	(135)	(37)	-	(172)
Net book value 1 July 2006	558	72	32	662
Net book value as of 30 June 2006:				
As at 30 June 2006				
Gross Book Value	725	134	32	891
Accumulated depreciation/amortisation	(167)	(62)	-	(229)
Closing Net book value	558	72	32	662

	2007	2006
	\$'000	\$'000

Note 6F: Inventories

Inventories held for sale

	66	68
--	-----------	----

All inventories are current assets.

Note 6G: Other Non-Financial Assets

Prepayments

	377	210
--	------------	-----

All other non-financial assets are current assets.

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

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Note 7: Payables		
<u>Note 7A: Suppliers</u>		
Trade creditors	920	466
<i>Total supplier payables</i>	<u>920</u>	<u>466</u>
Supplier payables are represented by:		
Current	920	466
Non-current	-	-
<i>Total supplier payables</i>	<u>920</u>	<u>466</u>
Settlement is usually made net 30 days.		
<u>Note 7B: Other</u>		
GST payable to ATO	397	325
<i>Total other payables</i>	<u>397</u>	<u>325</u>
All other payables are current liabilities.		
<u>Note 7C: Contract income in advance</u>		
Contract income	6,705	4,761
All income in advance payables are current.		
Note 8: Provisions		
<u>Note 8A: Employee Provisions</u>		
Salaries and wages	138	131
Leave	4,082	4,087
Superannuation	17	16
<i>Total employee provisions</i>	<u>4,237</u>	<u>4,234</u>
Employee provisions are represented by:		
Current	3,766	3,732
Non-current	471	502
<i>Total other provisions</i>	<u>4,237</u>	<u>4,234</u>

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year. Hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of the reporting date. Employee provisions expected to be settled in one year are \$1,863,000 (2006: \$1,510,000), and in excess of one year are \$2,374,000 (2006: \$2,724,000).

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Note 8B: Other Provisions		
Lease incentive liability	-	71
Provision for makegood	423	365
Total other provisions	423	436

Other provisions are represented by:

Current	-	71
Non - current	423	365
Total other provisions	423	436

	Provision for makegood	Provision for lease incentive liability
Carrying amount 1 July 2006	365	71
Amount used	-	(71)
Revaluation	58	-
Carrying amount 30 June 2007	423	-

The Institute currently has 2 agreements for leasing premises which have provisions requiring the Institute to restore the premises to their original condition at the conclusion of the lease. The Institute has made a provision to reflect the present value of this obligation.

Note 9: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement

Cash Flow Statement	7,133	4,906
Balance Sheet	7,133	4,906
Difference	-	-

Reconciliation of net surplus/(deficit) to net cash from operating activities:

Net surplus (deficit)	(324)	19
Depreciation/amortisation	588	658
Net loss from sale of assets	10	5
Net write down of non financial assets	185	-
(Increase) / decrease in net receivables	(253)	1,174
(Increase) / decrease in inventories	2	34
(Increase) / decrease in other non financial assets	(167)	(21)
Increase / (decrease) in supplier and other payables	526	(109)
Increase / (decrease) in employee provisions	3	(130)
Increase / (decrease) in lease incentive liability	(71)	(71)
Increase / (decrease) in other income in advance	1,944	(738)
Net cash from/(used by) operating activities	2,441	821

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 10: Directors Remuneration

The *Commonwealth Authorities and Companies Act 1997* defines members of the Board as directors. The number of directors included in these figures is shown below in the relevant remuneration bands:

	2007	2006
Nil to \$14,999	11	10
\$15,000 to \$29,999	1	1
\$60,000 to \$74,999	1	-
\$90,000 to \$104,999	-	1
\$105,000 to \$119,999	-	1
\$160,000 to \$174,999	-	1
\$260,000 to \$274,999	1	-
Total number of directors of the Institute	14	14

Total remuneration received or due and receivable by directors of the Institute	\$360,007	\$396,977
---	------------------	-----------

- Some directors of the Institute are appointed from other Government Departments and receive no additional remuneration for these duties.

Note 11: Executive Remuneration

The number of executives who received or were due to receive total remuneration of \$130,000 or more:

	2007	2006
\$130,000 - \$144,999	-	1
\$145,000 - \$159,999	3	-
\$160,000 - \$174,999	1	1
\$175,000 - \$189,999	1	2
Total	5	4

The aggregate amount of total remuneration of executives shown above:	\$810,888	\$664,459
---	------------------	-----------

No separation or redundancy payments were made to executives during the year. The Director of the AIHW is a member of the Board. Their details are included in Note 10.

Note 12: Remuneration of Auditors

	2007	2006
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	\$19,000	\$19,000

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

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 13: Average Staffing Levels

	2007	2006
The average full-time equivalent staffing levels for the Institute during the year were:	176	183

Note 14: Financial Instruments

Note 14A: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
				1 year or less							
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 %	2006 %
Financial Assets											
Cash at bank and on hand	5A	1,351	1,401	-	-			1,351	1,401	5.23	4.71
Deposits at call and term	5A	-	-	5,782	3,505	-	-	5,782	3,505	6.24	5.74
Receivables for goods & services-(gross)	5B	-	-	-	-	4,601	4,348	4,601	4,348	n/a	n/a
Total		1,351	1,401	5,782	3,505	4,601	4,348	11,734	9,254		
TOTAL ASSETS								14,860	12,392		
Financial Liabilities											
Supplier payables	7A	-	-	-	-	920	466	920	466	n/a	n/a
Total		-	-	-	-	920	466	920	466		
TOTAL LIABILITIES								12,682	10,222		
Liabilities not recognised		-	-	-	-	-	-	-	-		

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 14: Financial Instruments (cont.)

Note 14B: Net Fair Values of Financial Assets and Liabilities

	Notes	2007		2006	
		Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
		\$'000	\$'000	\$'000	\$'000
Departmental					
Financial Assets					
Cash at bank	5A	1,351	1,351	1,401	1,401
Deposits at call and term	5A	5,782	5,782	3,505	3,505
Receivables for Goods and Services (net)	5B	4,601	4,601	4,348	4,348
Total Financial Assets		11,734	11,734	9,254	9,254
Financial Liabilities (recognised)					
Supplier payables	7A	920	920	466	466
Total Financial Liabilities (recognised)		920	920	466	466

Note 14C: Credit Risk Exposures

The Institute's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Institute has no significant exposure to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 15: Appropriations

Table A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and borrowings

Particulars	Departmental Outputs		Loans		Equity		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Year ended 30 June								
Balance carried forward from previous period	-	-	-	-	-	-	-	-
Appropriation Acts 1 and 3	8,625	8,549	-	-	-	-	8,625	8,549
Appropriation Acts 2 and 4	-	-	-	-	-	-	-	-
Appropriation Act 5	-	-	-	-	-	-	-	-
Total appropriation available for payments	8,625	8,549	-	-	-	-	8,625	8,549
Cash Payments made during the year (GST inclusive)	8,625	8,549	-	-	-	-	8,625	8,549
Balance carried forward to next year	-	-	-	-	-	-	-	-
Represented by:								
Appropriations Receivable	-	-	-	-	-	-	-	-

This table reports on appropriations made by the Parliament of the Consolidated Revenue Fund (CRF) for payment by the Institute. When received by the Institute, the payments made are legally the money of the Institute and do not represent any balance remaining in the CRF.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 16: Compensation and Debt Relief

No waiver of amounts owing to the Commonwealth were made during the reporting period (2006: Nil).

Note 17: Reporting of Outcomes

Note 17A: Outcome of the Institute

The Institute is structured to meet a single outcome:

- Better health and wellbeing for Australians through better health and welfare statistics and information. (This outcome is included in the Department of Health and Ageing's Portfolio Budget Statements).

The Institute has three Output Groups under this Outcome:

- Output Group 1: Specific services to the Minister and Parliament, required under the AIHW Act.
- Output Group 2: National leadership in health-related and welfare-related information and statistics.
- Output Group 3: Collection and production of health-related and welfare-related information and statistics for governments, non-government and community organisations.

Note 17B: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<i>Expenses</i>				
Departmental	25,610	23,256	25,610	23,256
Total expenses	25,610	23,256	25,610	23,256
<i>Costs recovered from provision of goods and services to the non-government sector</i>				
Departmental	4,676	4,064	4,676	4,064
Total costs recovered	4,676	4,064	4,676	4,064
<i>Other external revenues</i>				
Departmental				
Sale of services – to related parties	11,624	10,268	11,624	10,268
Interest	353	280	353	280
Other	8	114	8	114
Total Departmental	11,985	10,662	11,985	10,662
Total other external revenues	11,985	10,662	11,985	10,662
Net cost/(contribution) of outcome	8,949	8,530	8,949	8,530

The Institute's outcome and outputs are described in Note 17A.

Australian Institute of Health and Welfare

Notes to and forming part of the Financial Statements

Note 17C - Departmental Revenues and Expenses by Output Group and Outputs

	Output Group 1		Output Group 2		Output Group 3		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1								
Expenses								
Employees	1,042	1,100	2,976	3,755	11,408	10,217	15,426	15,072
Suppliers	635	579	1,813	1,369	6,952	5,537	9,400	7,485
Depreciation and amortisation	31	40	218	235	339	384	588	659
Write-down of assets	13	3	36	7	138	25	187	35
Net losses from sale of assets	1	-	2	1	6	4	9	5
Total expenses	1,722	1,722	5,045	5,367	18,843	16,167	25,610	23,256
Funded by:								
Revenues from Government	1,639	1,624	2,242	2,223	4,744	4,702	8,625	8,549
Sales of goods and services	-	-	2,541	3,010	13,759	11,322	16,300	14,332
Interest	67	53	92	73	194	154	353	280
Other	1	84	2	30	5	-	8	114
Total operating revenues	1,707	1,761	4,877	5,336	18,702	16,178	25,286	23,275

- The Institute's outcomes and outputs are described at Note 17A.
- The net costs shown include intra-government costs that would be eliminated in calculating the actual Budget outcome.
- The attribution of costs to outputs is based on the results of a recent labour time survey.