

# Appendix 1

## Finance

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## INDEPENDENT AUDIT REPORT

To the Minister for Health and Family Services

### Scope

I have audited the financial statements of the Australian Institute of Health and Welfare for the year ended 30 June 1998. The financial statements comprise:

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

The directors 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 Minister for Health and Family Services.

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 (Urgent Issues Group Consensus Views) and statutory requirements 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.

**Audit Opinion**

In my opinion,

- (i) the financial statements have been prepared in accordance with the Guidelines for Financial Statements of Commonwealth Authorities; and
- (ii) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Guidelines for Financial Statements of Commonwealth Authorities, of the financial position of the Australian Institute of Health and Welfare as at 30 June 1998 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



Allan M Thompson  
Executive Director

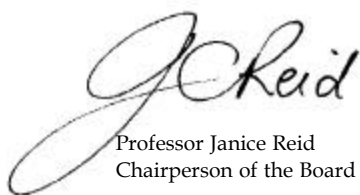
Delegate of the Auditor-General

Canberra  
21 September 1998



## Statement by Directors

In our opinion, the attached financial statements present fairly the information required by the Minister for Finance and Administration's Guidelines for Financial Statements of Commonwealth Authorities.



Professor Janice Reid  
Chairperson of the Board

17 September 1998



Richard Madden  
Director

15 September 1998

For health and welfare  
statistics and information

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**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**OPERATING STATEMENT**  
for the year ended 30 June 1998

	Notes	1998 \$'000	1997 \$'000
<b>NET COST OF SERVICES</b>			
<b>Operating expenses</b>			
Employees	4A	7,863	8,173
Suppliers	4B	7,476	5,418
Depreciation and amortisation	4C	495	572
Write-down of assets	4D	86	4
Net losses from sale of assets	4E	248	1
<b>Total operating expenses</b>		<b>16,168</b>	14,168
<b>Operating revenues from independent sources</b>			
Contract income		6,556	5,104
Interest	5A	79	129
Other	5B	321	418
<b>Total operating revenues from independent sources</b>		<b>6,956</b>	5,651
<b>Net cost of services</b>		<b>9,212</b>	8,517
<b>REVENUES FROM GOVERNMENT</b>			
<b>Revenues from government</b>			
Parliamentary appropriations received	6A	7,748	7,610
Resources received free of charge	6B	160	180
<b>Total revenues from government</b>		<b>7,908</b>	7,790
<b>Deficit of revenues from government over net cost of services</b>	8	<b>(1,304)</b>	<b>(727)</b>
Accumulated (deficits) surpluses at beginning of reporting period	8	<b>(286)</b>	441
<b>Accumulated deficits at end of reporting period</b>	8	<b>(1,590)</b>	<b>(286)</b>

The accompanying notes form part of these financial statements

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**STATEMENT OF ASSETS AND LIABILITIES**  
as at 30 June 1998

	Notes	1998 \$'000	1997 \$'000
<b>PROVISIONS AND PAYABLES</b>			
Employees	7A	2,167	2,176
Suppliers	7B	590	515
Contract income in advance	7C	2,438	2,342
<b>Total provisions and payables</b>		<b>5,195</b>	5,033
<b>Total liabilities</b>		<b>5,195</b>	5,033
<b>EQUITY</b>			
Capital	8	1,146	1,146
Accumulated deficits	8	(1,590)	(286)
<b>Total equity</b>		<b>(444)</b>	860
<b>Total liabilities and equity</b>		<b>4,751</b>	5,893
<b>FINANCIAL ASSETS</b>			
Cash	9A	1,996	2,915
Receivables	9B	1,103	874
Other	9C	287	109
<b>Total financial assets</b>		<b>3,386</b>	3,898
<b>NON-FINANCIAL ASSETS</b>			
Infrastructure, plant and equipment	10A,B	999	1,653
Inventories	10C	160	267
Other	10D	206	75
<b>Total non-financial assets</b>		<b>1,365</b>	1,995
<b>Total assets</b>		<b>4,751</b>	5,893
<b>Current liabilities</b>		<b>3,635</b>	3,480
<b>Non-current liabilities</b>		<b>1,560</b>	1,553
<b>Current assets</b>		<b>3,729</b>	4,240
<b>Non-current assets</b>		<b>1,022</b>	1,653

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 1998

	Notes	1998 \$'000	1997 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		7,748	7,610
Contract income		6,147	4,658
Interest		72	137
Other		321	378
<b>Total cash received</b>		<b>14,288</b>	12,783
<b>Cash used</b>			
Employees		(7,871)	(7,884)
Suppliers		(7,180)	(4,970)
<b>Total cash used</b>		<b>(15,051)</b>	(12,854)
<b>Net cash used by operating activities</b>	11	<b>(763)</b>	<b>(71)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment		(156)	(296)
<b>Total cash used</b>		<b>(156)</b>	(296)
<b>Net cash used by investing activities</b>		<b>(156)</b>	<b>(296)</b>
<b>Net decrease in cash held</b>		<b>(919)</b>	<b>(367)</b>
add cash at 1 July		2,915	3,282
<b>Cash at 30 June</b>	9A	<b>1,996</b>	2,915

The accompanying notes form part of these financial statements

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**SCHEDULE OF COMMITMENTS**  
as at 30 June 1998

	<b>1998</b>	1997
	<b>\$'000</b>	\$'000
<b>BY TYPE</b>		
<b>COMMITMENTS</b>		
Operating leases	<b>2,026</b>	2,650
Other commitments	<b>11,356</b>	3,778
<b>Total commitments payable</b>	<b>13,382</b>	6,428
<b>Commitments receivable</b>	<b>(7,980)</b>	(9,010)
<b>Net commitments</b>	<b>5,402</b>	(2,582)
<b>BY MATURITY</b>		
<b>All net commitments</b>		
One year or less	<b>1,995</b>	(2,236)
From one to two years	<b>1,572</b>	(784)
From two to five years	<b>1,835</b>	438
<b>Net commitments</b>	<b>5,402</b>	(2,582)
<b>Operating lease commitments</b>		
One year or less	<b>(1,004)</b>	(872)
From one to two years	<b>(982)</b>	(884)
From two to five years	<b>(40)</b>	(894)
<b>Operating lease commitments</b>	<b>(2,026)</b>	(2,650)

The accompanying notes form part of these financial statements



**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**SCHEDULE OF CONTINGENCIES**

as at 30 June 1998

	<b>1998</b>	1997
	<b>\$'000</b>	\$'000
<b>CONTINGENT LOSSES</b>		
Other guarantees	<u>75</u>	<u>0</u>
<b>Total contingent losses</b>	<u><u>75</u></u>	<u><u>0</u></u>

The Institute has underwritten a portion of the University of Sydney's investment in the General Practice Activity Survey. The guarantee is limited to \$75,000.

There were no remote contingencies.

The accompanying notes form part of these financial statements

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

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**Note Description**

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

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the year ended 30 June 1998

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**1 Summary of Significant Accounting Policies**

**1.1 Basis of accounting**

The financial statements are a general purpose financial report.

They have been prepared in accordance with

- Guidelines titled Financial Statements of Commonwealth Authorities issued by the Minister for Finance and Administration in July 1997 (the 'Guidelines') which require that the financial statements are prepared
  - in compliance with Australian Accounting Standards and Accounting Guidance Releases issued by the Australian Accounting Research Foundation, and
  - having regard to Statements of Accounting Concepts, and
- the Consensus Views of the Urgent Issues Group.

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

**1.2 Rounding**

Amounts are rounded to the nearest \$1,000 except in relation to:

- remuneration of directors;
- remuneration of executive officers; and
- remuneration of auditors.

**1.3 Taxation**

The Australian Institute of Health and Welfare (the Institute) is exempt from all forms of taxation except fringe benefits tax.

**1.4 Inventories**

Inventories held represent Institute publications for sale. Inventories are valued at cost or net realisable value, whichever is the lowest.

During the year the Institute's publications holding were rationalised to reflect current realistic sales expectations resulting in a write off of inventories totalling \$72,682 (Note 4D). From 15 September 1997 the bulk sales of the Institute's publications have been under an arrangement whereby proceeds from sales are distributed on a 50 - 50 consignment arrangement with AusInfo (formerly Australian Government Publishing Service).

**1.5 Infrastructure, plant and equipment**

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Statement of Assets and Liabilities, 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). The \$2,000 threshold was selected because it facilitates efficient asset management and recording without materially affecting asset values recognised. The acquisition of infrastructure, plant and equipment free of charge or for a nominal amount is recognised initially at fair value. The Guidelines require that infrastructure, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation (as set out in the Guidelines on Accounting Policy for Valuation of assets of Government Trading Enterprises).

The Institute is implementing its progressive revaluations as follows:

- infrastructure, plant and equipment will be initially revalued over the financial year 1998-99, and thereafter over successive three-year periods.

Assets in each class acquired after the commencement of the progressive revaluation cycle will be reported on the basis of the value initially recognised on acquisition for the duration of the progressive revaluation then in progress.

The financial effect of the move to progressive revaluations is that the carrying amounts of assets will reflect current values and that depreciation charges will reflect the current cost of the service potential consumed in each period.

The application of the deprival method by the Institute will result in its assets being valued at their depreciated replacement cost. Any assets which would not be replaced or are surplus to requirements are valued at net realisable value. At 30 June 1998 there were no assets in this situation.

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful life to the Institute using the straight line method of depreciation. Useful lives and residual values are reviewed at each balance date and necessary adjustments made.

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

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Fitout is 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 and amortisation rates applying to each class of depreciable asset are as follows:

	1998	1997
Leasehold fit-out	Lease term	5 years
Plant and equipment	5 to 10 years	5 to 13 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

**1.6 Liability for employee entitlements**

The liability for employee entitlements encompasses provisions 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 by employees is less than the annual entitlement for sick leave.

The provision for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 1998 and is recognised at its nominal value.

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 1998. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Provision is also made for separation and redundancy payments in circumstances where the Institute has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

**1.7 Income in advance and services provided in advance**

Contract income has been recorded in the Operating Statement to the extent that an equivalent amount of output has been produced. Any surplus contract income over output produced is recorded as income in advance in the Statement of Assets and Liabilities. Conversely, any output produced in excess of contract income received is recorded as services provided in advance in the Statement of Assets and Liabilities.

**1.8 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 assets and operating leases, under which the lessor effectively retains all such risks and benefits.

There are no finance leases.

Operating lease payments are charged to expense on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which space becomes surplus.

**1.9 Bad and doubtful debts**

Bad debts are written off to expense during the year in which they are identified, to the extent they have not previously been provided for. A provision is raised for doubtful debts based on a review of all outstanding receivables at year end.

**1.10 Cash**

For the purpose of the Statement of Cash Flows, cash includes deposits held at call with a bank.

**1.11 Resources received free of charge**

Resources received free of charge are recognised as revenues in the Operating Statement where their fair value can be reliably measured. Use of the resources is recognised as an expense, or, where there is a long term benefit, an asset is recognised.

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

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**1.12 Comparative figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

**1.13 Changes in accounting policies**

Where applicable changes in accounting policy are identified in these notes under their appropriate headings.

**2 Segment reporting**

The Institute operates in a single industry and geographic segment, being provision of government programs in Australia.

**3 Economic dependency**

The Institute is dependent on appropriations from Parliament to meet its current obligations and to carry out its normal activities.

<b>4 Goods and services expenses</b>	<b>1998</b>	1997
	<b>\$'000</b>	\$'000

**4A. Employee expenses**

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Basic remuneration for services provided	<b>7,863</b>	7,892
Separation and redundancy	<b>0</b>	281
Total employee expenses	<b><u>7,863</u></b>	<u>8,173</u>

The separation and redundancy expense is calculated on the basis of two weeks pay for every year of service by employees made redundant.

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 20% of salary (CSS) and 11% of salary (PSS). An additional 3% is contributed for employer productivity benefits.

**4B. Suppliers expenses**

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Supply of goods and services	<b>3,344</b>	2,745
Operating lease rentals	<b>984</b>	872
Contracted services	<b><u>3,148</u></b>	<u>1,801</u>
Total suppliers expenses	<b><u>7,476</u></b>	<u>5,418</u>

Contracted services above are comprised of:

National Perinatal Statistics Unit	<b>367</b>	334
Dental Statistics & Research Unit	<b>515</b>	455
National Reference Centre for Classification in Health	<b>63</b>	60
National Centre for Aboriginal & Torres Strait Islander Statistics	<b>822</b>	576
Department of Health and Family Services	<b>0</b>	314
National Injury Surveillance Unit	<b>1,081</b>	0
Survey of General Practice Activity	<b>300</b>	0
Other	<b><u>0</u></b>	<u>62</u>
	<b><u>3,148</u></b>	<u>1,801</u>

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

	<b>1998</b>	1997
	<b>\$'000</b>	\$'000
<b>4C. Depreciation and amortisation</b>		
Depreciation of infrastructure, plant and equipment	<u>495</u>	<u>572</u>
<p>Depreciation expenses in 1997–98 are \$88,351 higher than they would have been as a result of the reduction of the useful lives of leasehold fitout and plant and equipment. (1996–97: nil).</p> <p>The aggregate amounts of depreciation or amortisation allocated during the reporting period, as expense, for each class of depreciable asset are as follows:</p>		
Leasehold fit-out	184	154
Plant and equipment	<u>311</u>	<u>418</u>
	<u>495</u>	<u>572</u>
<b>4D. Write-down of assets</b>		
Financial assets:		
Receivables for goods and services	13	4
Non-financial assets:		
Inventory	<u>73</u>	<u>0</u>
Total write-down of assets	<u>86</u>	<u>4</u>
<b>4E. Net losses from sale of assets</b>		
Plant and equipment	<u>248</u>	<u>1</u>
<b>5 Operating revenue from independent sources</b>		
<b>5A. Interest</b>		
Cash at bank	<u>79</u>	<u>129</u>
<b>5B. Other revenues</b>		
Consultancy	47	95
Recoveries	152	185
Publications	82	138
Conferences	<u>40</u>	<u>0</u>
Total other revenues	<u>321</u>	<u>418</u>
<b>6 Revenues from government</b>		
<b>6A. Parliamentary appropriations</b>		
Appropriation Act No. 1, 1997–98	<u>7,748</u>	<u>7,610</u>
<b>6B. Resources received free of charge</b>		
Provision of facilities by the Department of Health and Family Services	<u>160</u>	<u>180</u>

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

<b>7 Provisions and payables</b>		<b>1998</b>	1997
		<b>\$'000</b>	<b>\$'000</b>
<b>7A. Liabilities to employees</b>			
Salaries and wages		227	183
Annual leave		695	655
Long service leave		1,245	1,240
Separation and redundancy		0	98
Aggregate employee entitlement liability		<u>2,167</u>	<u>2,176</u>
<b>7B. Suppliers</b>			
Trade creditors		43	201
Sundry creditors		547	314
		<u>590</u>	<u>515</u>
<b>7C. Contract income in advance</b>			
Contract income		<u>2,438</u>	<u>2,342</u>
<b>8 Equity</b>			
<b>Item</b>	<b>Capital</b>	<b>Results</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance @ 1 July 1997	1,146	(286)	860
Deficit	-	(1,304)	(1,304)
Balance @ 30 June 1998	1,146	(1,590)	(444)
<b>9 Financial assets</b>			
<b>9A. Cash</b>			
Cash at bank and on hand		1,945	2,777
Department of Finance Imprest Account		51	138
		<u>1,996</u>	<u>2,915</u>
Balance of cash as at 30 June shown in the Statement of Cash Flows		<u>1,996</u>	<u>2,915</u>
<b>9B. Receivables</b>			
Contract income		1,109	867
Interest		7	11
		<u>1,116</u>	878
Provision for doubtful debts		(13)	(4)
		<u>1,103</u>	<u>874</u>
Receivables includes receivables overdue by:			
- less than 30 days		5	129
- 30 to 60 days		61	3
- more than 60 days		1	0
		<u>67</u>	<u>132</u>
<b>9C. Other financial assets</b>			
Services provided in advance		<u>287</u>	<u>109</u>

Appendix 1

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

**10 Non-financial assets**

	<b>1998</b>	1997
10A. Infrastructure, plant and equipment	<b>\$'000</b>	\$'000
Infrastructure, plant and equipment—at cost	<b>2,481</b>	3,413
Accumulated depreciation	<b>(1,482)</b>	(1,760)
<b>Total Infrastructure, plant and equipment</b>	<b>999</b>	1,653

10B. Analysis of infrastructure, plant and equipment

Item	Fitout	Other infrastructure, plant and equipment	Total
	\$'000	\$'000	\$'000
<b>Gross value as at 1 July 1997</b>	782	2,631	3,413
Additions	105	52	157
Disposals	(77)	(1,012)	(1,089)
Other movements	0	0	0
<b>Gross value as at 30 June 1998</b>	810	1,671	2,481
Accumulated depreciation/ amortisation as at 1 July 1997	275	1,486	1,762
Depreciation/amortisation charge for assets held 1 July 1997	161	306	467
Depreciation/amortisation charge for additions	23	4	27
Adjustment for disposals	(32)	(742)	(774)
Adjustment for other movements	0	0	0
<b>Accumulated depreciation/ amortisation as at 30 June 1998</b>	427	1,054	1,482
<b>Net book value as at 30 June 1998</b>	383	617	999
<b>Net book value as at 1 July 1997</b>	507	1,146	1,653

10C. Inventories

Inventories held for sale (net realisable value)	<b>160</b>	267
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10D. Other non-financial assets

Deferred discount on lease of computers	<b>40</b>	0
Prepayments	<b>166</b>	75
	<b>206</b>	75



**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

**11 Cash flow reconciliation**

Reconciliation of net cash flows used by operating activities to net cost of services.

	1998	1997
	<u>\$'000</u>	<u>\$'000</u>
<b>Net cost of services</b>	<b>(9,212)</b>	<b>(8,517)</b>
Revenues from government	7,748	7,610
Resources received free of charge	160	180
<b>Operating deficit</b>	<b>(1,304)</b>	<b>(727)</b>
Depreciation and amortisation of infrastructure plant & equipment	495	572
Write down of assets	86	4
Loss on disposal of infrastructure, plant & equipment	248	1
Increase in receivables	(242)	(755)
Increase in employee liabilities	(8)	289
Decrease in inventory	35	(40)
Increase in liability to suppliers	74	259
Increase in other payables	96	317
Decrease in other assets	(268)	9
Other	25	0
<b>Net cash used by operating activities</b>	<b>(763)</b>	<b>(71)</b>

**12 Remuneration of Directors**

	1998	1997
	<u>\$</u>	<u>\$</u>
Aggregate amount of superannuation payments in connection with the retirement of Directors	0	41,399
Other remuneration received or due and receivable by Directors of the Institute	261,648	221,135
Total remuneration received or due and receivable by Directors of the Institute	<u>261,648</u>	<u>262,534</u>

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

	Number	
• \$Nil – \$10,000	12	12
• \$10,001 – \$20,000	1	1
• \$70,001 – \$80,000	1	0
• \$80,001 – \$90,000	0	1
• \$150,001 – \$160,000	0	1
• \$160,001 – \$170,000	1	0
	<u>15</u>	<u>15</u>

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

**AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 1998

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**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 P White (Acting Director 15/01/98 to 16/01/98)  
Ms V R Milligan  
Mr H Bissett  
Ms M Draper  
Ms J Dwyer  
Ms S Fogg  
Mr R Deyell  
Professor D'Arcy Holman  
Mr B F Kennedy  
Dr A L Howe  
Dr D Filby  
Mr A Podger  
Mr T Skinner  
Dr J Shaw

The aggregate remuneration of Directors is disclosed in Note 12.

The aggregate of superannuation payments paid in connection with the retirement of Directors was nil (1996–97 \$41,399).

**14 Remuneration of Executive Officers**

	<b>1998</b>	1997
	<b>\$</b>	\$
Income received or due and receivable by executive officers	<b>466,476</b>	946,836

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

	<b>Number</b>	
\$100,001 – \$110,000	1	1
\$110,001 – \$120,000	2	2
\$120,001 – \$130,000	1	1
\$200,001 – \$210,000	0	1
\$290,001 – \$300,000	0	1
	<b>4</b>	<b>6</b>

The executive officer remuneration includes all officers concerned with or taking part in the management of the economic entity during 1997–98 except the Director. Details in relation to the Director 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 \$nil (1996–97 \$nil).

**15 Remuneration of Auditors**

	<b>1998</b>	1997
	<b>\$</b>	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	<b>16,000</b>	17,000

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**  
for the year ended 30 June 1998

**16 Financial Instruments**

**16A. Interest rate risk**

The Institute's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Floating interest rate	Floating interest rate		Non-interest bearing	Total
		1 year or less	1 to 5 years		
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash	1,944,260	0	0	51,497	1,995,757
Receivables	0	0	0	1,103,089	1,103,089
Investments	n/a	n/a	n/a	n/a	n/a
Weighted average interest rate	5.0% Est	0.0%	0.0%		
<b>Financial liabilities</b>					
Accounts payable	0	0	0	42,850	42,850
Dividends payable	n/a	n/a	n/a	n/a	n/a
Weighted average interest rate	0.0%	0.0%	0.0%		

**16B. Foreign exchange risk**

The Institute has not entered into any foreign currency transactions.

**16C. 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 which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts. Due to the nature of the majority of the Institute's clients (mainly Commonwealth Government), such risk is considered by the Directors to be very low.

**16D. 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.

*Appendix 1*