



AUDITOR-GENERAL'S REPORT

INDEPENDENT AUDIT REPORT

To the Minister for Family and Community Services

Scope

I have audited the financial statements of the Australian Institute of Family Studies for the year ended 30 June 2001. The financial statements comprise:

- Statement by Directors;
- Statement of Financial Performance;
- Statement of Financial Position;
- Statement of Cashflows;
- Schedules of Commitments;
- Schedule of Contingencies; and
- Notes to and forming part of the Financial Statements.

The Members of the Board 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 the 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, and performance as represented by the results of its operations and its cash flows.

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

Audit Opinion

In my opinion,

- (1) the financial statements have been prepared in accordance with Schedule 1 of the Commonwealth Authorities and Companies (Financial Statement 2000-2001) Orders; and
- (2) the financial statements give a true and fair view, in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 1 of the Commonwealth Authorities and Companies (Financial Statement 2000-2001) Orders, of the financial position of the Australian Institute of Family Studies as at 30 June 2001 and the results of its operations and cashflows for the year then ended.

Allan M. Thompson
Executive Director
Delegate of the Auditor-General
Australian National Audit Office

Canberra
September 2001



FINANCIAL STATEMENTS

**AUSTRALIAN INSTITUTE OF FAMILY STUDIES
STATEMENT BY DIRECTORS**

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 1 of the Financial Management and Accountability (Financial Statements 2000–2001) Orders made under the *Commonwealth Authorities and Companies Act 1997* for the year ended 30 June 2001.

Louise Staley
Member, Board of Management
Australian Institute of Family Studies
23 August 2001

David I. Stanton
Director
Australian Institute of Family Studies
23 August 2001

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2001

	Note	2001 \$	2000 \$
Revenues from Ordinary Activities			
Revenues from Government	(8a)	3,448,000	3,444,000
Sales of goods and services	(8c)	827,191	727,612
Interest	(8b)	54,986	49,451
Proceeds from disposal of assets	(8d)	1,109	2,100
Other	(8e)	90,941	78,002
Total revenues from ordinary activities		4,422,227	4,301,165
Expenses from Ordinary Activities			
Employees	(6a)	2,758,811	2,831,015
Suppliers	(6b)	1,512,603	1,299,868
Depreciation and amortisation	(6c)	87,114	97,441
Write-down of assets	(6d)	68,597	4,564
Disposal of assets	(8d)	7,411	18,960
Total expenses from ordinary activities		4,434,536	4,251,848
Net operating surplus (deficit) from ordinary activities		(12,309)	49,317
Net surplus (deficit)		(12,309)	49,317
Total revenues, expenses and valuation adjustments recognised directly in equity	(1.16)	(65,881)	(76,544)
Total changes in equity other than those resulting from transactions with owners as owners		(78,190)	(27,227)

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2001

	Note	2001 \$	2000 \$
ASSETS			
Financial Assets			
Cash	(9a)	135,222	196,919
Receivables	(9b)	939,175	850,175
Total financial assets		1,074,397	1,047,094
Non-Financial Assets			
Inventories	(10a)	35,320	24,825
Infrastructure, Plant & Equipment	(10b)	242,379	278,769
Intangibles	(10b)	16,453	24,967
Other	(10c)	41,530	99,052
Total non-financial Assets		335,682	427,613
Total assets		1,410,079	1,474,707
LIABILITIES			
Provisions			
Capital Use		65,881	76,544
Employees	(12a)	716,667	639,655
Total provisions		782,548	716,199
Payables			
Suppliers	(12b)	107,958	91,829
Other	(1.13)	36,444	105,360
Total payables		144,402	197,189
Total Liabilities		926,950	913,388
EQUITY			
Capital		613,295	613,295
Accumulated surplus (deficit)	(11)	(130,166)	(51,976)
Total parent equity interest		483,129	561,319
Total equity		483,129	561,319
Current assets		1,151,247	1,170,971
Non-current assets		258,832	303,736
Current liabilities		822,127	826,535
Non-current liabilities		104,823	86,853

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

STATEMENT OF CASH FLOWS

for the Year ended 30 June 2001

	Note	2001 \$	2000 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		3,448,000	3,444,000
Sales of goods and services		828,688	781,803
Interest		54,277	49,637
GST recovered from taxation authority		45,045	
Other		54,588	98,014
Total cash received		4,430,598	4,373,454
Cash used			
Employees		(2,681,798)	(3,058,476)
Suppliers		(1,646,779)	(1,394,486)
Total cash used		(4,328,577)	(4,452,962)
Net cash from operating activities	(4)	102,021	(79,508)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant & equipment		4,379	8,700
Bills of exchange and term deposits		-	72,962
Total cash received		4,379	81,662
Cash Used			
Purchase of plant and equipment		(48,934)	(60,552)
Bills of exchange and term deposits		(42,619)	
Total cash used		(91,553)	(60,552)
Net cash from investing activities		(87,174)	21,110
FINANCING ACTIVITIES			
Cash Used			
Capital use paid		(76,544)	
Total cash used		(76,544)	
Net cash from financing activities		(76,544)	
Net increase (decrease) in cash held		(61,697)	(58,398)
Cash at beginning of reporting period		196,919	255,317
Cash at end of reporting period	(4) (9a)	135,222	196,919

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

SCHEDULE OF COMMITMENTS

as at 30 June 2001

	Note	2001 \$	2000 \$
BY TYPE			
CAPITAL COMMITMENTS			
Infrastructure plant and equipment		-	-
Total capital commitments		<u>-</u>	<u>-</u>
OTHER COMMITMENTS			
Operating leases		1,813,153	1,902,656
Project commitments		730,680	170,150
Other commitments		56,705	59,223
Total other commitments		<u>2,600,538</u>	<u>2,132,029</u>
Total commitments payable		<u>2,600,538</u>	<u>2,132,029</u>
COMMITMENTS RECEIVABLE			
		(956,205)	(132,351)
Net commitments		<u>1,644,333</u>	<u>1,999,678</u>
BY MATURITY			
All net commitments			
One year or less		243,261	342,222
From one to five years		1,188,018	1,175,216
Over five years		213,054	482,240
Net commitments		<u>1,644,333</u>	<u>1,999,678</u>
Operating lease commitments			
One year or less		320,020	263,040
From one to five years		1,280,079	1,157,376
Over five years		213,054	482,240
Net operating lease commitments		<u>1,813,153</u>	<u>1,902,656</u>

NB: All commitments are GST inclusive where relevant.

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

NOTES TO SCHEDULE OF COMMITMENTS

The Institute is engaged in a tenancy agreement at 300 Queen Street Melbourne, which will run to 28 February 2007. The property rentals on the building and car park were reviewed during the year and a revised market based rate was agreed to of \$24,244 per month, exclusive of GST (Previous rate \$21,918 per month, exclusive of GST). The building rentals are subject to market based assessment every two years, and the carpark rental annually.

Motor vehicle senior executive leases have no renewal or purchase options available to the Institute, and no contingent rentals exist.

Project commitments receivable, are based on known commitments for contracted research funds, ie amount specified in contract agreement. Project commitments payable are based on budget and costed estimates of expenditure by the Institute in relation to the contracted projects. The costings budgets form the basis of determining the contract revenue for projects, and represent the funds that the Institute needs to commit to complete the project. The HILDA project (see Note 5) will provide the Institute with revenue over the next three years but the amounts are still subject to negotiation and cannot be reliably estimated. Annual amounts are likely to be in the order of \$55,000 inclusive of GST.

SCHEDULE OF CONTINGENCIES

for the Year Ended 30 June 2001

	Note	2001 \$	2000 \$
Contingent Losses		-	-
Contingent Gains		-	-
Net Contingencies		-	-

The Institute has been invited by the Department of Family and Community Services to operate the Stronger Families Clearinghouse and perform other associated research and project tasks for the Stronger Families and Communities Strategy over the next three years. This is likely to be funded at a minimum of \$400,000 per annum, however individual contracts including funding figures have not been finalised and approved.

The Institute is also the lead agency in a consortium bidding for the Longitudinal Study of Australian Children contract with the Department of Family and Community Services which will provide funding of up to \$18 million over nine years.

**AUSTRALIAN INSTITUTE OF FAMILY STUDIES
NOTES TO AND FORMING
PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001**

1. STATEMENT OF 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:

- Schedule 1 to orders made by the Finance Minister for the preparation of Financial Statements in relation to financial years ending on or after 30 June 2001;
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Boards;
- Other authoritative pronouncements of the Boards; and
- Consensus Views of the Urgent Issues Group

These statements have also been prepared having regard to:

- Statements of Accounting Concepts;
- The Explanatory Notes to Schedule 1 issued by the Department of Finance and Administration; and
- Guidance notes issued by the Department.

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 financial position of the Authority.

Assets and Liabilities are recognised when and only when it is probable that future economic benefits will flow and the amounts of assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an accounting standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Revenues and expenses are recognised when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

In particular the following accounting policies have been consistently applied:

1.2 REPORTING BY OUTCOMES

A comparison of Budget and actual figures by outcome, specified in the Appropriation Acts relevant to the Institute, is presented in Note 2.

1.3 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.

Assets acquired at no cost for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.4 INFRASTRUCTURE, PLANT AND EQUIPMENT:

These assets were taken over upon incorporation of the Institute and stated at their book value as at 24 June 1986.

Purchases of Infrastructure, Plant and Equipment are acquired during the year at cost, and in the first 12 months of their use this represents their value under the deprival method.

Depreciation and Amortisation

Depreciation has been provided in order to write down assets to their realisable value over the term of their expected useful lives. The useful life of computer equipment is normally in the range of three to five years, however this is reviewed annually. The following rates have been applied in most cases for 2000-01:

Computer hardware – 20% straight line method

Office Equipment – 10% or 20% straight line method

Office furniture – 7.5% straight line method

All assets with a cost of less than \$1,000 are expensed in the year of acquisition, except where they form a group of similar items which are significant in total.

In accordance with AAS 4 “Depreciation”, the useful life of all Infrastructure, Plant and Equipment, particularly computer equipment, continues to be reviewed on an annual basis. In 2000-01 the useful lives of a number of assets were altered and depreciation rates were amended to reflect the remaining useful life. This will result in small changes to depreciation in future periods.

Revaluations

Infrastructure, Plant and Equipment is revalued progressively in accordance with the deprival method of valuation and at least in successive three year cycles, so that no asset has a value greater than three years old.

The Institute has implemented a policy of progressive valuations on the following basis:

- Computer equipment as a class was not revalued in 2000-01. However, the Institute continued its rolling upgrade of computer hardware and replacement of equipment near to four to five years old. This category will be revalued in 2001-02.
- The category Office Equipment was revalued during 2000-01. The revaluation resulted in a minimal change to the value of assets, and all assets were recognised as being required at this stage.
- The application of the deprival method has resulted in the valuation of computer and office equipment at its current market buying price as a reflection of replacement cost, unless the equipment is considered surplus to requirements.
- The valuations performed during 2000-01 were conducted internally, and utilised pricing information on assets from reliable sources and suppliers used previously by the Institute.
- As a not-for-profit entity Institute assets are not held for the primary purpose of generating cash inflows.

1.5 INTANGIBLES

Represents externally developed computer software, which is amortised over the term of its useful life, generally three years. The software is not held for the primary purpose of generating cash inflows.

1.6 INVENTORY

Inventory is valued at the lower of cost or net realisable value (refer also to Note 10a). The weighted average cost method is used to assign costs to Inventories.

All inventories are current assets. Institute inventory comprises publishing stock, books and magazines, held for resale. The costs incurred are publishing costs, such as printing and design, and distribution.

1.7 EMPLOYEE ENTITLEMENTS

Leave

The liability for employee entitlements encompasses provisions for annual leave, redundancy 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.

Liability for long service leave has been calculated at the net present value of estimated future cash outflows for long service leave. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account. Long service leave entitlements amounting to \$18,906 were paid during the year (1999-00 \$185,390). The apportionment of liability between current and non-current is based on the availability of the leave for staff to use in the current period.

The provision for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2001 and is recognised at its nominal value. All annual leave is treated as available and current.

Separation and Redundancy

Provision is 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.

1.8 APPROPRIATION

From 1 July 1999 the Commonwealth Budget has been prepared under an accruals framework. For the year the Institute received only revenue appropriations for its departmental outcome and output. The Institute has no administered activities. The revenue appropriation received is for the core operating activities of the Institute.

1.9 CASH

For the purposes of the Statement of Cash Flows cash includes deposits at call which are readily convertible to cash and which are used in the cash management function on a day to day basis.

1.10 TAXATION

The Institute is exempt from all forms of taxation except for the Fringe Benefits Tax, and Goods and Services Tax.

1.11 INSURANCE

The Institute is part of the Commonwealth Government's managed insurance fund, Comcover, with the current term of cover running to 30 June 2002.

1.12 LEASES

Lease payments for operating leases are charged as expenses in the periods in which they are incurred. The Institute has no finance leases.

1.13 BAD AND DOUBTFUL DEBTS

Bad debts are written off during the year in which they are identified. A provision is raised for doubtful debts, if considered necessary, based on a review of all outstanding accounts at year-end. The Institute's level of bad debts continues to be small, and no provision has been made in 2000-01.

1.14 OTHER (UNEXPENDED ADVANCES)

Unexpended advances include annual magazine subscriptions for *Family Matters*, comprising the issue of three publications per calendar year. They are brought to account over the subscription period, and amounted to \$36,444 (1999-00 \$47,430).

1.15 COMPARATIVE FIGURES

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

1.16 FINANCIAL INSTRUMENTS

Accounting policies in relation to financial instruments are disclosed in Note 17.

1.17 CAPITAL USE CHARGE

A capital usage charge of 12% levied by the Commonwealth on the net assets of the authority has been provided for at year end.

1.18 OTHER REVENUE

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

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

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

Revenue from the rendering of a service, particularly research contracts, is recognised by reference to the stage of completion of the contract or agreement. The stage of completion is determined according to the Contract schedules completed, and where appropriate, the proportion that costs incurred to date bear to the estimated total costs of the transaction.

2. ECONOMIC DEPENDENCY

The Australian Institute of Family Studies was established under the *Family Law Act 1975* and is controlled by the Commonwealth of Australia. The Institute is dependent on appropriations from Parliament for its continued existence and ability to carry out its normal activities.

3. REPORTING BY SEGMENTS AND OUTCOMES

Reporting by segments

The Institute operates primarily in a single industry and geographic segment, being the provision of family related research programs and dissemination of those programs in Australia.

The Institute is structured to meet one outcome:

“Inform governments, policy makers and other stakeholders on factors influencing how families function.”

Reporting by Outcomes for 2000-2001

Outcome 1	Budget \$000's	Actual \$000's
Net administered expenses	-	-
Net cost of entity outputs	4,948	4,501
Net cost to budget outcome	4,948	4,501
Total assets deployed as at 30/6/01	1,026	1,410
Net assets deployed as at 30/6/01	181	483

4. CASHFLOW RECONCILIATION

Reconciliation of net cash flows from operating activities to Operating Surplus (Deficit)

	2001	2000
	\$	\$
Operating Surplus (Deficit)	(12,309)	49,317
Decrease (Increase) in inventory	(10,495)	(6,122)
Decrease (Increase) in receivables	(49,650)	11,665
Decrease (Increase) in other assets	57,522	(50,482)
Increase (Decrease) in liability to suppliers	(52,788)	32,927
Increase (Decrease) in employee liabilities	77,012	(227,461)
Loss on sale of equipment	6,302	16,860
Depreciation expense	87,114	97,441
Revaluation and write offs	(687)	(3,653)
Net Cash used by operating activities	102,021	(79,508)
Reconciliation of Cash		
Cash	(9a) 135,222	196,919

5. CONTRACT AND GRANT REVENUE

The Institute undertakes some research and dissemination of information on a contract basis which contributes to meeting its stated objectives. During this year revenue to the value of \$576,907 (1999-00 \$573,105) was earned. The funding auspice, amounts and projects were as follows:

Attorney-Generals Department (Pathways) \$22,826 (1999-00 \$Nil). A study for the Family Law Pathways Advisory Group to examine the perspectives of clients of the Family Law system. Completed.

Department of Family and Community Services and Melbourne Institute (HILDA) \$49,860 (1999-00 \$Nil). A collaborative project to conduct a survey of Household, Income and Labour Dynamics in Australia which will run until 30 June 2004. The Institute has a support role to assist the Melbourne Institute which is the legal entity.

Department of Family and Community Services (Negotiating Work and Family: The Families Perspective) \$36,173 (1999-00 Nil). A study into the views of a sample of Australian children of their parents work on their family life. The Institute prepared reports and presented conference material for the client. Completed.

Department of Family and Community Services (National Child Protection Clearinghouse), \$260,248 (1999-00 \$250,000). The Institute was successful in tendering for a new contract over three years running until December 2002. The contract is for the Institute to resource and facilitate a network of people and organisations concerned with child abuse prevention, and disseminate information accordingly.

Department of Health and Aged Care (Suicide Prevention Communications Activities) \$36,000 (1999-00 \$36,000). A follow-on contract commenced late last year from the above Communications project to produce a further two bulletins, and perform further work on the National Stocktake. Completed.

Department of Health and Aged Care (Youth Suicide Prevention Evaluation), \$61,712 (1999-00 \$91,820). A separate allocation has been made to the Institute for evaluation of the National Youth Suicide Prevention Strategy, and this involves the production of a series of progress reports. Additional funding was negotiated due to the production of a greater number of reports by the Institute. Completed.

La Trobe University (Lincoln Gerontology Healthy Behaviours Stage 2 Project), \$24,288 (1999-00 \$Nil). Contracted by the Lincoln Gerontology Centre to collect data on older people about their post retirement behaviour. Completed.

La Trobe University (Lincoln Gerontology Healthy Retirement Project Wave 3), \$18,106 (1999-00 \$Nil). Contracted by the Lincoln Gerontology Centre to collect data on older people on their perceptions post retirement as a follow on from Wave 2 in last financial year. Project is effectively completed.

Grant from the Financial Markets Foundation for Children (Children in Need) \$35,000 (1999-00 \$Nil). A Victorian Feasibility study of the UK Children in Need Assessment Records. Completed.

Grant from the Commonwealth Department of Health and Aged Care (National Illicit Drug Strategy) \$32,694 (1999-00 \$Nil). A literature review entitled the Role of Families in the Development, Identification, Prevention and treatment of Illicit Drug problems. Completed.

6. OPERATING EXPENSES - GOODS AND SERVICES

	2001	2000
	\$	\$
(a) <i>Employee Expenses</i>		
Remuneration for services provided	2,703,383	2,631,126
Separation and Redundancy Payments	-	144,532
Total Remuneration	2,703,383	2,775,658
Other	55,428	55,357
Total employee expenses	2,758,811	2,831,015
(b) <i>Suppliers Expenses</i>		
Supply of goods and services	1,239,907	1,038,392
Operating lease rentals	272,696	261,476
Total suppliers expenses	1,512,603	1,299,868
(c) <i>Depreciation and Amortisation</i>		
Depreciation of infrastructure, plant and equipment	87,114	97,441
(d) <i>Write down of assets</i>		
Non Financial Assets		
Inventory written off	68,597	4,564
Total write down of assets	68,597	4,564

7. EMPLOYER'S SUPERANNUATION CONTRIBUTION

The Institute contributes to the Commonwealth Superannuation Scheme (CSS) for those employees who chose to stay in the CSS on the commencement of the Public Sector Superannuation Scheme (PSS) on 1 July 1990. The Institute also contributes to the PSS for those staff who transferred from the CSS and all eligible staff who joined the Institute after the PSS commencement date. The Institute also provides productivity contributions to staff ranging from 2% to 3% of salary.

The Institute's present contribution as employer to the CSS is 26.6% of salary and 11.5% of salary in respect of the PSS. In 2000-01 \$310,012 (1999-00 \$356,618) was expended in employer superannuation by the Institute.

8. OPERATING REVENUES

	2001 \$	2000 \$
(a) <i>Revenues from government</i>		
Appropriations from outputs	3,448,000	3,444,000
Total	3,448,000	3,444,000
(b) <i>Interest</i>		
Deposits	13,732	8,001
Bank Bills of Exchange	41,254	41,450
Total	54,986	49,451
(c) <i>Sales of goods and services</i>		
Goods	103,832	105,384
Contract services	509,213	573,105
Other services	214,146	49,123
Total	827,191	727,612
Cost of sales of goods	64,346	77,848
(d) <i>Proceeds and expenses from sale of assets</i>		
Non-financial assets - Infrastructure, plant and equipment		
Revenue (proceeds) from sale	1,109	2,100
Expense from sale	7,411	18,960
Total	(6,302)	(16,860)
(e) <i>Other Revenues</i>		
Grants	67,694	-
Cost recovery	19,890	78,002
Other	3,357	
Total	90,941	78,002

Cost recovery revenue represents revenue from a variety of individual sources including recovery of costs and reimbursements of fares for Institute staff undertaking speaking engagements interstate.

9. FINANCIAL ASSETS

	2001	2000
	\$	\$
(a) <i>Cash</i>		
Cash at Bank	135,131	196,829
Petty Cash	91	90
Balance of cash at 30 June 2001 as shown in the Statement of Cash flows	135,222	196,919
(b) <i>Gross Receivables classified by Category</i>		
Sales of goods and services	146,890	107,359
Other	10,326	10,957
Bills of exchange and term deposits	744,478	731,859
GST Receivable	7,481	
Total receivables	939,175	850,175
(c) <i>Gross Receivables overdue are aged as follows</i>		
Not overdue	934,588	769,393
Overdue by: Less than 30 days	2,883	77,917
30 to 60 days	1,664	144
60 to 90 days	-	254
More than 90 days	40	2,467
Total receivables (gross)	939,175	850,175

During the year bad and doubtful debts of \$1,117 (1999-00 \$108), were written off. No provision has been established for doubtful debts given the continuing low levels of debtors that need to be written off.

10. NON-FINANCIAL ASSETS

(a) *Inventories*

As part of Institute policy, some publications are sold and some are provided free of charge. A program of disposal of obsolete publications was commenced in 1996, and has continued on an annual basis. A Provision for Stock Obsolescence of \$13,342 (1999-00 \$27,613) takes account of slow turnover in particular publications, which have not been disposed of at this stage. The reduction in the provision from last year reflects the write off and disposal of publications during this year that are considered not saleable. These publications had no net realisable value.

There were no stocks of goods and other property which were used in the production of goods and other property and services not held for resale. Some publications are not produced for sale, but are distributed free of charge, with the associated costs being for the design and printing of the final product. These products have no net realisable value, and are not considered as required in the future.

	2001	2000
	\$	\$
Inventory	48,662	52,438
Less provision for stock obsolescence	13,342	27,613
Total	35,320	24,825

(b) *Infrastructure, Plant & Equipment and Intangibles*

	At Cost/Valuation		Accumulated Depreciation		Net Book Value	
	2001 \$	2000 \$	2001 \$	2000 \$	2001 \$	2000 \$
Infrastructure and office equipment	327,320	323,081	210,389	184,512	116,931	138,569
Computer equipment	333,086	341,497	207,638	201,297	125,448	140,200
Intangible -Software	63,177	68,051	46,724	43,084	16,453	24,967
Total	723,583	732,629	464,751	428,893	258,832	303,736

	2001 \$	2000 \$
Infrastructure, Plant & Equipment and Intangibles		
At cost	212,035	224,354
Accumulated Depreciation	98,458	105,275
Net Value	113,577	119,079
Infrastructure, Plant & Equipment and Intangibles		
At valuation	511,548	508,275
Accumulated Depreciation	366,293	323,618
Net Value	145,255	184,657
Total Infrastructure, Plant & Equipment and Intangibles	258,832	303,736

Movement Summary

	Infrastructure	Computer Equipment	Intangible Software	Total
Gross Value 1 July 2000	323,081	341,497	68,051	732,629
Additions:				
Replacement assets	2,197	42,557	3,180	47,934
Acquisition of new assets	1,000	-	-	1,000
Disposals	-	(50,968)	(8,054)	(59,022)
Revaluations & Write offs	1,042	-	-	1,042
Gross Value 30 June 2001	327,320	333,086	63,177	723,583

Accumulated Depreciation 1 July 2000	184,512	201,297	43,084	428,893
Annual Depreciation charges	25,522	51,036	10,556	87,114
Disposals	-	(44,695)	(6,916)	(51,612)
Revaluations & Write offs	355	-	-	355
Accumulated Depreciation 30 June 2001	210,389	207,638	46,724	464,751

Net Book Value 30 June 2001	116,931	125,448	16,453	258,832
Net Book Value 1 July 2000	138,569	140,200	24,967	303,736

(c) *Other Non-Financial Assets*

	2001 \$	2000 \$
Prepayments	41,530	99,052

11. EQUITY

	Capital	Accumulated Results	Total Equity
Balance 1 July 2000	613,295	(51,976)	561,319
Surplus / (Deficit)		(12,309)	(12,309)
Capital Use Charge		(65,881)	(65,881)
Balance 30 June 2001	613,295	(130,166)	483,129

12. PROVISIONS AND PAYABLES

	2001	2000
	\$	\$
(a) <i>Employees</i>		
Salaries and wages	95,452	107,991
Superannuation	9,271	17,458
Annual Leave	213,534	187,527
Long Service Leave	384,877	324,495
Other	13,533	2,184
Aggregate employee entitlement liability	716,667	639,655
(b) <i>Suppliers</i>		
Trade creditors	107,958	91,829

13. AUDITORS REMUNERATION

The Australian National Audit Office provides audit services to the Institute with the fee for the current year estimated at \$18,500 (1999-00 \$18,000). No other fee based services were provided by Australian National Audit Office.

14. DIRECTORS' REMUNERATION (BOARD OF MANAGEMENT)

Total remuneration received or due and receivable by directors of the Institute is \$244,210 (1999-00 \$197,044).

The number of directors of the Institute included in these figures is shown below in the relevant remuneration bands.

	2001	2000
	\$	\$
Nil- \$10,000	7	6
\$190,001-\$200,000	-	1
\$230,001-\$240,000	1	-
Total	8	7

The Director of the Institute is the full time chief executive officer, as well as a member of the Board of Management.

15. OFFICERS' REMUNERATION

The aggregate amount of total remuneration of officers is \$118,092. The officer remuneration includes all officers taking part in the management of the Institute during 2000-01, excluding the Executive Director whose details are included in Note 14 - Remuneration of Directors.

	2001	2000
	\$	\$
\$110,001-\$120,000	1	-

16. RELATED PARTIES

The Directors of the Authority during the year were:

The Hon Ann Henderson, Chairperson (Appointed 5 July 2000)
 Professor Donald Chalmers
 Ms Dianne Gibson (Appointed 5 July 2000)
 Professor Alan Hayes (Appointed 5 July 2000)
 Ms Robyn McKay (Appointed 5 July 2000)
 Professor Frank Oberklaid (Appointed 5 July 2000)
 Ms Louise Staley
 Mr David Stanton, Executive Director

Information in relation to remuneration of the Board of Management is disclosed in Note 15. There were no other related party transactions.

17. FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policies

Financial Instrument

Financial Assets

Term Deposits (Note 9b)

Accounting Policies and Methods- Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.

Nature of underlying instrument- Temporarily surplus funds, from contract work and monthly drawdowns of appropriation are placed on deposit with the Institute's banker. Interest is earned on the daily balance at the prevailing daily rate for the money on call and paid monthly.

Bills of Exchange (Note 9b)

Accounting Policies and Methods- Bills are carried at the amount of their initial proceeds plus accrued interest. Nature of underlying instrument- Bills are issued at discount reflecting market yields.

They have an average term to maturity of 66.20 days. The average term on all other bills ranges from 30 to 60 days. Effective interest rates range from 4.80% to 6.29%.

Receivables for Goods and Services (Note 9b) And Other Debtors

Accounting Policies and Methods- Recognised at their nominal amounts 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.

Nature of underlying instrument- Credit terms are 21 days.

Financial Liabilities

Trade and Other Creditors (Notes 12a and 12b)

Accounting Policies and Methods- Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

Nature of underlying instrument- Settlement is usually made net 30 days.

(b) Interest Rate Risk

Financial Instrument

Financial Assets

	2001	2000
	\$	\$
Cash (Note 9a)		
Fixed Interest Rate (1 year or less)	135,131	196,829
Non Interest Bearing	91	90
Total	135,222	196,919
Weighted Average Effective Interest Rate	3.45%	3.31%
Bills of Exchange (Note 9b)		
Fixed Interest Rate (1 year or less)	384,478	731,859
Total	384,478	731,859
Weighted Average Effective Interest Rate	5.93%	5.06%
Term Deposits (Note 9b)		
Fixed Interest Rate (1 year or less)	390,000	
Total	390,000	
Weighted Average Effective Interest Rate	4.93%	
Receivables for Goods and Services (Note 9b)		
Non Interest Bearing	164,697	118,316
Total	164,697	118,316
Weighted Average Effective Interest Rate	N/a	N/a

Financial Liabilities

	2001	2000
	\$	\$
Trade and Other Creditors (Notes 12a and 12b)		
Non Interest Bearing	226,214	219,462
Total	226,214	219,462
Weighted Average Effective Interest Rate	N/a	N/a

(c) Net Fair Values of Financial Assets and Liabilities

Financial Assets	Note	2000-01		1999-00	
		Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
Deposits at Call		135,222	135,222	196,919	196,919
Bills of Exchange		384,478	384,478	731,859	731,859
Receivables of Goods and Services		164,697	164,697	118,316	118,316
Investments		390,000	390,000		
Total Financial Assets		1,074,397	1,074,397	1,047,094	1,047,094
Financial Liabilities (Recognised)					
Trade and Other Creditors		226,214	226,214	219,462	219,462
Total Financial Liabilities (Recognised)		226,214	226,214	219,462	219,462



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