

Human Rights and Equal Opportunity Commission Statement by the President

In my opinion, the attached financial statements for the year ended 30 June 2002 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

Alice E. S. Tay
President

September 2002

Human Rights and Equal Opportunity Commission
Statement of Financial Performance
for the year ended 30 June 2002

	Notes	2002 \$	2001 \$
Revenues from ordinary activities			
Revenues from government	2.1	10,765,000	10,609,000
Sales of goods and services	2.2	4,081,732	2,796,646
Interest	2.3	98,561	86,664
Total revenues from ordinary activities		14,945,293	13,492,310
Expenses from ordinary activities			
Employees	3.1	7,485,375	6,849,056
Suppliers	3.2	5,900,137	5,437,306
Depreciation and amortisation	3.3	765,240	677,836
Net losses from sales of assets	3.4	7,124	13,954
Write-down of assets	3.5	514,348	29,003
Total expenses from ordinary activities		14,672,224	13,007,155
Net operating surplus from ordinary activities		273,069	485,155
Net surplus attributable to the Commonwealth		273,069	485,155
Net debit to asset revaluation reserve	8	(5,996)	-
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity		(5,996)	-
Total changes in equity other than those resulting from transactions with owners as owners		267,073	485,155

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

Human Rights and Equal Opportunity Commission
Statement of Financial Position
as at 30 June 2002

	Notes	2002 \$	2001 \$
ASSETS			
Financial assets			
Cash	4.1	1,917,346	2,237,009
Receivables	4.2	987,415	473,636
Total financial assets		2,904,761	2,710,645
Non-financial assets			
Infrastructure, plant and equipment	5.1	1,059,664	2,010,588
Intangibles	5.2	82,894	113,253
Other	5.4	236,223	266,578
Total non-financial assets		1,378,781	2,390,419
Total assets		4,283,542	5,101,064
LIABILITIES			
Interest bearing liabilities			
Other	6	1,565,409	2,314,056
Total interest bearing liabilities		1,565,409	2,314,056
Provisions			
Capital use charge		29,359	35,000
Employees	7.1	1,816,147	1,406,493
Total provisions		1,845,506	1,441,493
Payables			
Suppliers	7.2	372,557	358,609
Other	7.3	35,977	732,527
Total payables		408,534	1,091,136
Total liabilities		3,819,449	4,846,685
NET ASSETS		464,093	254,379
EQUITY			
Contributed equity		1,006,000	1,006,000
Reserves		49,596	55,592
Accumulated deficits		(591,503)	(807,213)
Total equity	8	464,093	254,379
Current assets		2,904,761	2,977,223
Non-current assets		1,378,781	2,123,841
Current liabilities		2,130,896	2,598,987
Non-current liabilities		1,688,553	2,247,698

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

Human Rights and Equal Opportunity Commission
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as at 30 June 2002

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Human Rights and Equal Opportunity Commission
Statement of Cash Flows
for the year ended 30 June 2002

	Notes	2002	2001
		\$	\$
OPERATING ACTIVITIES			
Cash received			
Appropriations for outputs		10,730,000	10,640,000
Sales of goods and services			
Government		3,016,771	2,774,408
Non-government		1,078,102	974,792
Interest		91,635	82,203
GST refunds		340,657	247,120
Total cash received		15,257,165	14,718,523
Cash used			
Employees		7,148,664	6,778,880
Suppliers		8,070,706	6,692,263
Total cash used		15,219,370	13,471,143
Net cash from operating activities	9	37,795	1,247,380
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of infrastructure, plant and equipment		432	645
Total cash received		432	645
Cash used			
Purchase of infrastructure, plant and equipment		282,840	501,462
Purchase of intangibles		12,050	47,187
Total cash used		294,890	548,649
Net cash used by investing activities		(294,458)	(548,004)
FINANCING ACTIVITIES			
Cash used			
Capital Use charge paid		63,000	-
Total cash used		63,000	-
Net cash used by financing activities		(63,000)	-
Net increase in cash held		(319,663)	699,376
Cash at the beginning of the reporting period		2,237,009	1,537,633
Cash at the end of the reporting period		1,917,346	2,237,009

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

Human Rights and Equal Opportunity Commission
Schedule of Commitments
as at 30 June 2002

	2002 \$	2001 \$
BY TYPE		
CAPITAL COMMITMENTS		
Land and Buildings	-	-
Infrastructure, plant and equipment	-	-
Total capital commitments	-	-
OTHER COMMITMENTS		
Operating leases ¹	3,756,268	7,807,929
Other commitments	992,706	131,439
Total other commitments	4,748,974	7,939,368
COMMITMENTS RECEIVABLE		
Net commitments	(2,216,794)	(2,611,450)
	2,532,180	5,327,918
BY MATURITY		
All net commitments		
One year or less	1,318,629	1,466,480
From one to five years	1,213,551	3,861,438
Over five years	-	-
Net commitments	2,532,180	5,327,918
Operating Lease Commitments		
One year or less	1,916,334	2,497,430
From one to five years	1,839,934	5,310,499
Over five years	-	-
Net Commitments	3,756,268	7,807,929

Commitments are Goods and Services Tax inclusive where relevant

¹ Operating leases included are effectively non-cancellable and comprise:
- leases for office accommodation
- agreements for the provision of motor vehicles to senior executive staff (there are no renewals or purchase options available to the Commission).

Schedule of Contingencies
as at 30 June 2002

At 30 June 2002 and 30 June 2001 the Commission recognised no contingent losses or gains.

Schedule of Unquantifiable Contingencies

As at 30 June 2002, the Commission (or officers of the Commission) were named as the respondent in twelve applications before the High Court, the Federal Court of Australia and the District Court of South Australia. It is not possible to estimate the amounts of the eventual payments that may be required in relation to these claims, though it is not common for costs to be awarded against the Commission (or its officers) in these matters.

The Commission has also intervened in nine matters since 1 July 2001. Although it is technically possible that a cost order could be made against the Commission in one of these matters, such an order is unlikely and has to date never been made against the Commission.

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

Human Rights and Equal Opportunity Commission

Notes to and forming part of the Financial Statements

for the year ended 30 June 2002

Note 1 - Summary of Significant Accounting Policies

1.1 Objectives of the Human Rights and Equal Opportunity Commission

The Commission has one outcome:

"An Australian society in which the human rights of all are respected, protected and promoted".

The Commission's objective is to ensure that Australians:

- have access to independent human rights complaint handling and public inquiries processes; and
- benefit from human rights education, promotion, monitoring and compliance activities.

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements 2001-2002) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- other authoritative pronouncements of the Board; and
- Consensus Views of the Urgent Issues Group.

The statements have also been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Commission's Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionally 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 in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Commission in its present form, and with its present functions, is dependent on Government policy and on continuing appropriations by Parliament for the Commission's administration and functions.

The Human Rights and Equal Opportunity Commission is part of the legal entity that is the Commonwealth Government which is ultimately responsible for all the agency's debts.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2000-01, except in respect of:

- Output appropriations (refer to Note 1.4);
- Equity injections (refer to Note 1.5).

1.4 Revenue

The revenues described in this note are revenues relating to the core operating activities of the Commission.

(a) Revenues from Government

The full amount of appropriation for departmental outputs for the year (less any savings offered up at Additional Estimates & not subsequently released) is recognised as revenue. This is a change in accounting policy caused by the introduction of a new requirement to this effect in the Finance Minister's Orders. (In 2000-01 output appropriations were recognised as revenue to the extent the appropriations had been drawn from the Official Public Account).

The change in policy had no effect in 2001-02 as the full amount of the output appropriation for 2000-01 had been drawn down in that year.

(b) Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(c) Other Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

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

1.5 Transactions by the Government as Owner

From 1 July 2001, Appropriations designated as "Capital - equity injections" are recognised directly in Contributed Equity according to the following rules determined by the Finance Minister:

- to the extent that the appropriation is not dependent on future events, as at July 1; and
- to the extent that it is dependent on specified future events requiring future performance, on drawdown. (In 2000-01, all equity injections were recognised as contributed equity on drawdown.)

1.6 Employee entitlements

(a) Leave

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

The liability for annual leave and current long service leave reflects the value of total leave entitlements of all employees at 30 June 2002 and is recognised at its nominal amount.

The non-current proportion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2002. In determining the present value of the liability, the Commission has taken into account attrition rates and pay increases through promotion and inflation.

(b) Separation and redundancy

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

(c) Superannuation

Staff of the Commission contribute to the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). Employer contributions amounting to \$642,126 (2001: \$540,261) in relation to these schemes have been expended in these financial statements.

No liability for superannuation is recognised as at 30 June as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth, except for that component at Note 7.1 which recognises only those employer contributions accrued in 2001-02 and paid in the subsequent year.

Employer Superannuation Productivity Benefit contributions totalled \$119,580 (2001: \$107,398).

1.7 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. All leases entered into by the Commission have been classified as Operating Leases and lease payments are treated as expenses in the reporting period in which they are incurred.

Operating lease rentals as shown in Note 3.2 represent actual rental expense for the year adjusted for the impact of lease incentives. Calculations are in accordance with mandatory reporting requirements.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

The lease incentive recognised as a result is amortised over the lease term by allocating a portion of the rent expense against the current balance. Non-current assets that are recognised are depreciated over the term of the lease.

1.8 Unearned Revenue

As at 30 June the Commission recognised payments for services under contract, for which costs have not yet been incurred, as unearned revenue. In the event of the services not being performed the moneys would have to be repaid.

1.9 Cash

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

1.10 Financial Instruments

Accounting policies for financial instruments are stated at Note 15.

1.11 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, 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 arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to restructuring.

1.12 Disposal of Assets

Assets disposed of are at the end of their useful lives, or are technically obsolete or have been found to be un-economic to repair.

1.13 Transfer of assets

Assets have been relinquished as a consequence of restructuring arrangements, at the amounts at which they were recognised in the Commission's accounts immediately prior to restructuring.

1.14 Infrastructure, plant and equipment

Asset recognition threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Infrastructure, plant and equipment are revalued progressively in accordance with the 'deprival' method of valuation in successive 3-year cycles, so that no asset has a value greater than three years old. All assets were revalued in 2001-02.

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

The Commission recognises infrastructure, plant and equipment at its depreciated replacement cost.

Any assets which would not be replaced or are surplus to requirements are valued at net realisable value. At 30 June 2002, the Commission had no assets in this situation.

All valuations are independent.

Recoverable amount test

Schedule 1 requires the application of the recoverable amount test to departmental non-current assets in accordance with *AAS 10 Recoverable Amount of Non-Current Assets*. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

Depreciation and Amortisation

Depreciation is calculated on a straight line basis so as to write off the cost of each item of infrastructure, plant and equipment over its expected useful life. For leasehold improvements the depreciation is calculated over the lease term or the useful life, whichever is the shorter.

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

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

	2002	2001
Leasehold improvements	Lease term	Lease term
Plant and equipment	4 to 10 years	4 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 3.3.

1.15 Intangibles

The Commission's intangibles comprise internally-developed software. The asset is carried at cost.

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

No write-down to recoverable amount has been made in 2001-02.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

Useful lives are:	2002	2001
Internally developed software	2 to 5 years	2 to 5 years

1.16 Taxation

The Commission's activities are exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

1.17 Capital Use Charge

A capital usage charge of 11% (2001: 12%) is imposed by the government on the net departmental assets of the Commission. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

1.18 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.19 Insurance

The Commission has insured for risks through the Government's insurable risk managed fund, called Comcover. Workers compensation is insured through Comcare Australia.

1.20 Comparative Figures

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

1.21 Agency and Administered Items

The Commission has no administered items.

	2002 \$	2001 \$
Note 2 - Operating Revenues		
2.1 Revenues from government		
Appropriations for outputs	10,730,000	10,584,000
Resources received free of charge	35,000	25,000
Total	<u>10,765,000</u>	<u>10,609,000</u>
2.2 Sales of goods and services		
Goods	14,223	27,205
Services	4,067,509	2,769,441
Total	<u>4,081,732</u>	<u>2,796,646</u>
Goods and services were sold as follows:		
Government	3,420,882	2,605,433
Non-Government	660,850	191,212
Total	<u>4,081,732</u>	<u>2,796,645</u>
Cost of goods sold	14,223	27,205
2.3 Interest		
Interest from deposits	<u>98,561</u>	<u>86,664</u>
Note 3 - Operating Expenses		
3.1 Employee expenses		
Remuneration (for services provided)	7,485,375	6,809,882
Separation and Redundancy	-	39,174
Total	<u>7,485,375</u>	<u>6,849,056</u>
3.2 Suppliers expenses		
Supply of goods and services	4,815,104	4,514,839
Operating lease rentals *	1,085,033	922,467
Total	<u>5,900,137</u>	<u>5,437,306</u>
* These comprise minimum lease payments only		
3.3 Depreciation and amortisation		
Depreciation of infrastructure, plant and equipment	193,599	166,942
Amortisation of leasehold improvements	529,231	483,324
Amortisation of intangibles	42,410	27,570
Total	<u>765,240</u>	<u>677,836</u>
3.4 Net losses from sales of assets		
Non-financial assets - Infrastructure, plant and equipment;		
Proceeds from sale	(432)	(645)
Net book value at sale	7,556	14,599
Net loss	<u>7,124</u>	<u>13,954</u>
3.5 Write-down of assets		
Financial Assets		
Receivables	16,966	29,003
Non-Financial Assets		
Plant and equipment - revaluation decrement	478,058	-
Plant and equipment - write off	19,324	-
Total	<u>514,348</u>	<u>29,003</u>

	2002 \$	2001 \$
Note 4 - Financial Assets		
4.1 Cash		
Cash at bank and on hand	1,917,346	2,237,009
Total	<u>1,917,346</u>	<u>2,237,009</u>
All cash recognised is a current asset.		
4.2 Receivables		
Interest receivable	11,387	4,461
Goods and services	879,385	377,342
GST receivable	96,643	107,875
	<u>987,415</u>	<u>489,678</u>
Less: Provision for Doubtful Debts	-	(16,042)
Total	<u>987,415</u>	<u>473,636</u>
Receivables (gross) are aged as follows:		
Not overdue	771,685	356,004
Overdue by:		
Less than 30 days	61,124	45,370
30 days to 60 days	154,606	11,011
60 to 90 days	-	4,245
more than 90 days	-	73,048
Total Gross Receivables	<u>987,415</u>	<u>489,678</u>
Note 5 - Non-financial Assets		
5.1 Infrastructure, Plant & Equipment		
Plant & Equipment at cost	-	418,132
Less: Accumulated depreciation	-	(237,203)
	-	<u>180,929</u>
Plant & Equipment at valuation	833,607	1,035,005
Less: Accumulated depreciation	(378,932)	(747,581)
	<u>454,675</u>	<u>287,424</u>
Leasehold improvements at cost	-	524,945
Less: Accumulated amortisation	-	(141,076)
	-	<u>383,869</u>
Leasehold improvements at valuation	3,149,999	4,169,310
Less: Accumulated amortisation	(2,545,010)	(3,010,944)
	<u>604,989</u>	<u>1,158,366</u>
Total Infrastructure, Plant and equipment (non-current)	<u>1,059,664</u>	<u>2,010,588</u>
The current revaluations were as at 30 June 2002 in accordance with the progressive revaluation policy stated at Note 1 and were completed by an independent valuer, the Australian Valuation Office.		
5.2 Intangibles		
Computer software - internally developed	357,244	345,194
Less: Accumulated amortisation	(274,350)	(231,941)
Total	<u>82,894</u>	<u>113,253</u>

5.3 Analysis of Infrastructure, Plant, Equipment and Intangibles

TABLE A: - Reconciliation of the opening & closing balances of property, plant & equipment and intangibles

Item	Infrastructure, Plant & Equipment	Computer software - total intangibles	Total
	\$	\$	\$
Gross Value as at 1 July 2001	6,147,392	345,194	6,492,586
Additions: purchases of assets	282,840	12,050	294,890
Revaluations: write-ups (write-downs)	(2,275,652)		(2,275,652)
Write-offs	(131,618)	-	(131,618)
Disposals	(39,357)	-	(39,357)
Gross Value as at 30 June 2002	3,983,605	357,244	4,340,849
Accumulated Depreciation/Amortisation as at 1 July 2001	4,136,804	231,941	4,368,745
Depreciation/Amortisation charges for the year	722,830	42,410	765,240
Revaluations: write ups/(write-downs)	(1,791,597)	-	(1,791,597)
Write-offs	(112,295)	-	(112,295)
Disposals	(31,801)	-	(31,801)
Accumulated Depreciation/Amortisation as at 30 June 2002	2,923,941	274,351	3,198,292
Net book value as at 30 June 2002	1,059,664	82,893	1,142,557
Net book value as at 1 July 2001	2,010,588	113,253	2,123,841

TABLE B: Assets at valuation

Item	Infrastructure, Plant & Equipment	Total
	\$	\$
As at 30 June 2002		
Gross Value	3,983,605	3,983,605
Accumulated Depreciation/Amortisation	(2,923,941)	(2,923,941)
Net book value	1,059,664	1,059,664
As at 30 June 2001		
Gross Value	5,204,315	5,204,315
Accumulated Depreciation/Amortisation	(3,758,525)	(3,758,525)
Net book value	1,445,790	1,445,790

	2002	2001
	\$	\$
5.4 Other Non-Financial Assets		
Prepayments		
Rent	93,440	159,118
Other	142,783	107,460
All other non-financial assets are current assets	236,223	266,578
Note 6 Other Interest bearing liabilities		
Lease incentives	1,565,409	2,314,056
Current	782,704	748,646
Non-current	782,705	1,565,410

		<u>2002</u>	<u>2001</u>
		\$	\$
Note 7	Provisions		
7.1	Employee Provisions		
	Salaries and wages	196,149	150,671
	Leave	1,586,909	1,237,250
	Superannuation	33,089	18,572
	Aggregate employee entitlement liability	<u>1,816,147</u>	<u>1,406,493</u>
	Current	910,299	724,206
	Non-current	905,848	682,287
7.2	Payables		
	Supplier Payables		
	Trade creditors	372,557	339,637
	Operating lease rentals	-	18,972
	Total	<u>372,557</u>	<u>358,609</u>
	Supplier payables are represented by:		
	Current	372,557	358,609
	Non-current	-	-
7.3	Other Payables		
	Prepayments received	<u>35,977</u>	<u>732,527</u>

Note 8 - Equity

Item	Accumulated Results		Asset revaluation reserve		Total reserves		Contributed Equity		TOTAL EQUITY	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance as at 1 July	(807,213)	(1,938,609)	55,592	55,592	55,592	55,592	1,006,000	1,095,000	254,379	(788,017)
Net Result	273,069	485,155	-	-	-	-	-	-	273,069	485,155
Net revaluation increment/(decrement)	-	-	(5,996)	-	(5,996)	-	-	-	(5,996)	-
Capital Use Charge	(57,359)	(35,000)	-	-	-	-	-	-	(57,359)	(35,000)
Restructuring transfers	-	681,241	-	-	-	-	-	(89,000)	-	592,241
Balance 30 June	(591,503)	(807,213)	49,596	55,592	49,596	55,592	1,006,000	1,006,000	464,093	254,379

Restructuring

As a result of a restructuring of administrative arrangements, the Commission relinquished its responsibility for the delivery of functions under the Privacy Act 1988.

The *Privacy Amendment (Office of the Privacy Commissioner) Act 2000* amended the *Privacy Act 1988* and established the Office of the Federal Privacy Commissioner as a separate entity.

In respect of the functions relinquished, the following assets and liabilities were transferred by the Commission:

	<u>2002</u>	<u>2001</u>
	\$	\$
Total assets relinquished	-	55,585
Total liabilities relinquished	-	647,826
Net assets relinquished	-	<u>(592,241)</u>
Net Contribution by Government as owner during the period	-	<u>(592,241)</u>

	2002	2001
	\$	\$
Note 9 - Cash flow reconciliation		
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
● Cash at year end per Statement of Cash Flows	1,917,346	2,237,009
● Statement of Financial Position items comprising above cash:		
'Financial Asset -Cash'	1,917,346	2,237,009
Reconciliation of net operating surplus to net cash from operating activities:		
Net operating surplus	273,069	485,155
Restructuring transfers	-	592,241
Fixed asset transfer	-	51,615
Other asset transfer	-	15,259
Provision for doubtful debts	-	16,042
Depreciation and Amortisation	765,240	677,836
Revaluation decrement	478,058	-
Write-down of plant and equipment	19,324	-
Loss on disposal	7,124	13,954
(Increase)/Decrease in Receivables	(513,779)	132,931
(Increase)/Decrease in Prepayments	30,355	(175,247)
Increase/(Decrease) in Employee provision	409,654	(641,619)
Increase/(Decrease) in Suppliers	13,948	87,704
Increase/(Decrease) in Interest Bearing Liabilities	(748,648)	(741,018)
Increase/(Decrease) in Other payables	(696,550)	732,527
Net cash from operating activities	<u>37,795</u>	<u>1,247,380</u>

Note 10 - Executive Remuneration

The number of Executives who received or were due to receive total remuneration of \$100,000 or more:

	2002	2001
	Number	Number
\$100,001-\$110,000	-	1
\$130,001-\$140,000	-	1
\$170,001-\$180,000	-	1
\$180,001-\$190,000	1	1
\$190,001-\$200,000	2	1
\$200,001-\$210,000	1	-
\$300,001-\$310,000	1	-
	<u>5</u>	<u>5</u>

The aggregate amount of total remuneration of Executives shown above.

\$ 1,111,384	\$ 815,991
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Note 11 · Remuneration of Auditors

	2002	2001
	\$	\$
Financial statement audit services are provided free of charge to the Commission by the Auditor-General. The fair value of the audit services was:		
	35,000	25,000
Other Services		
Amounts paid in relation to the audit of two special purpose financial reports	-	2,773
Total	<u>35,000</u>	<u>27,773</u>

	<u>2002</u>	<u>2001</u>
	\$	\$
Note 12 - Act of Grace Payments and Waivers		
No Act of Grace payments were made during the reporting period.	-	-
No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.	-	-
Note 13 - Average Staffing Levels	ASL	ASL
The average staffing levels for the Commission during the year were:	<u>95</u>	<u>91</u>

Note 14 - Appropriations

14.1 Appropriation Acts (No. 1/3) 2001-2002

Annual Appropriations for Departmental items (outputs)		\$
Year ended 30 June 2002		
Balance carried forward from previous year		2,237,009
Appropriation for reporting period (Act 1)		10,730,000
Refunds credited (FMA s30A)		
GST credits (FMA s30A)		601,422
Annotations to 'net appropriations' (FMA s31)		4,081,732
Available for payments		17,650,163
Payments made		15,577,260
Balance carried to next year		2,072,903
Year ended 30 June 2001		
Available for payments 2001		16,142,305
Payments made 2001		13,905,296
Balance carried forward to 1 July 2001		2,237,009

FMA = Financial Management and Accountability Act 1997

Act 1 = Appropriations Act (No1) 2001-2002

Act 3 = Appropriations (No 3) 2001-2002

14.2 Appropriation Acts (No.2/4) 2001-2002

Particulars	Capital		Total
	Departmental		
	Equity	Carry-overs	
	\$	\$	\$
Year ended 30 June 2002			
Balance carried from previous year	-	-	-
Available for payments	-	-	-
Payments made	-	-	-
Balance carried to next year	-	-	-
Year ended 30 June 2001			
Available for payments	58,494	56,000	114,494
Payments made	58,494	56,000	114,494
Balance carried forward to 1 July 2001	-	-	-

Note 15 - Financial Instruments

15.1 Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (Including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably recognised.	
Cash	4.1	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	The Commission received interest payments from term deposits (4.5%) and the operating account (2%). All accounts are held at the RBA and operate under the DOFA agency banking arrangements.
Receivables for goods and services	4.2	Receivables are recognised at the nominal amount due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provision is made when collection is judged less rather than more likely.	Balance of receivables are with entities external to the Commonwealth. Credit terms are net 30 days.
Financial liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Lease incentives	6	Lease incentives are recognised as a liability at the time of receipt. The amount of the liability is reduced on a straight line basis over the life of the lease by allocating a portion of the rent expense against the current balance.	The Commission received lease incentives on entering a property operating lease in October 1994. Lease payments are made monthly.
Trade creditors	7.2	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 or services have been received (and irrespective of having been invoiced)	The majority of creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

15.2 Interest rate risk

Financial instrument	Notes	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Weighted average effective interest rate	
		01-02	00-01	01-02	00-01	01-02	00-01	01-02	00-01	01-02	00-01
		\$	\$	\$	\$	\$	\$	\$	\$		
Financial Assets											
Cash at bank	4.1	1,917,346	2,237,009	-	-	-	-	1,917,346	2,237,009	2.0%	2%
Interest receivable	4.2	-	-	-	-	11,387	4,461	11,387	4,461	n/a	n/a
Receivables for goods and services	4.2	-	-	-	-	879,385	377,342	879,385	377,342	n/a	n/a
Total Financial Assets (Recognised)		1,917,346	2,237,009	-	-	890,772	381,803	2,808,118	2,618,812		
Total Assets								4,283,542	5,101,064		

15.2 Interest rate risk (cont'd)

Financial Liabilities											
Lease incentives	6	-	-	-	-	1,565,409	2,314,056	1,565,409	2,314,056	n/a	n/a
Trade creditors	7.2	-	-	-	-	372,557	339,637	372,557	339,637	n/a	n/a
Operating lease rentals	7.2	-	-	-	-	-	18,972	-	18,972	n/a	n/a
Total Financial Liabilities (Recognised)		-	-	-	-	1,937,966	2,672,665	1,937,966	2,672,665		
Total Liabilities								3,819,449	4,846,685		

15.3 Net Fair Values of Financial Assets and Liabilities

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values of lease incentives liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are short-term in nature and are approximated by their carrying amounts.

15.4 Credit Risk Exposures

The Commission's maximum exposures 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 Statement of Financial Position.

The Commission has no significant exposures 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.

Note 16 - Reporting of Outcomes

The Commission has one outcome:

"An Australian society in which the human rights of all are respected, protected and promoted".

and one output:

"Australians have access to independent human rights complaint handling and public inquiries processes and benefit from human rights education, promotion and monitoring, and compliance activities".

16.1 Total Cost/Contribution of Outcomes (Whole of Government)

	Outcome 1	
	Budget \$	Actual \$
Net cost of departmental outputs	10,730,000	10,456,931
Net Cost to Budget Outcome	<u>10,730,000</u>	<u>10,456,931</u>

16.2 Commission Revenues, Expenses, Assets and Liabilities by Output Group

All the Commission's revenues, expenses, assets and liabilities are attributable to the one output group.

Note 17 Trust Moneys

Comcare Trust Account

Purpose - monies held in trust and advanced to the Commission by COMCARE for the purpose of distributing compensation payments made in accordance with the Safety Rehabilitation and Compensation Act 1998.

	<u>2002</u>	<u>2001</u>
	\$	\$
Balance carried forward from previous period	-	-
Receipts during the period	-	<u>2,648</u>
Available for payments	<u>-</u>	<u>2,648</u>
Payments made	-	<u>2,648</u>
Balance carried forward to next period	<u>-</u>	<u>-</u>

Note 18 Events occurring after balance date

The Commission is not aware of any significant events that have occurred since balance date which warrant disclosure in these statements.