



# *Annual Report*

Department of the **Prime Minister and Cabinet**

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2001–02



Auditor-General for Australia

**INDEPENDENT AUDIT REPORT****To the Prime Minister****Scope**

I have audited the financial statements of the Department of the Prime Minister and Cabinet for the year ended 30 June 2002. The financial statements comprise:

- Statement by the Secretary;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments; and
- Notes to and forming part of the Financial Statements.

The Departmental Secretary is 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 Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department's financial position, its financial performance and its cash flows.

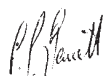
The audit opinion expressed in this report has been formed on the above basis.

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**Audit Opinion**

In my opinion the financial statements:

- (i) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Prime Minister and Cabinet as at 30 June 2002, and its financial performance and cash flows for the year then ended.



P.J. Barrett  
Auditor-General

Canberra  
13 August 2002



**The Department of the Prime Minister and Cabinet**  
**STATEMENT BY THE SECRETARY**

for the period ended 30 June 2002

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 Schedule 1 to the Finance Minister's Orders made under section 63 of the *Financial Management and Accountability Act 1997*.

Signed

A handwritten signature in black ink, appearing to read 'M W Moore-Wilton', written in a cursive style.

M W Moore-Wilton  
Secretary

8th August 2002

**STATEMENT OF FINANCIAL PERFORMANCE**

for the period ended 30 June 2002

	Notes	2001–02 \$'000	2000–01 \$'000
<b>Revenues from ordinary activities</b>			
Revenues from government	3A	78,915	56,578
Sales of goods and services	3B	1,421	420
Interest	3C	1,209	1,120
Net gains from sales of assets	3D	1	7
Net foreign exchange gains	3E	–	5
Other	3F	1,358	3,800
<b>Total revenues from ordinary activities</b>		<b>82,904</b>	61,930
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>			
Employees	4A	30,617	29,420
Suppliers	4B	36,540	21,359
Grants	4C	94	264
Depreciation and amortisation	4D	1,768	1,503
Write down of assets	4E	–	52
Net losses from sales of assets	4F	25	4
Other	4H	8,591	5,725
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>77,635</b>	58,327
Borrowing costs expense	4G	111	–
<b>Net operating surplus from ordinary activities</b>		<b>5,158</b>	3,603
<b>Net surplus</b>		<b>5,158</b>	3,603
<b>Net surplus attributable to the Commonwealth</b>		<b>5,158</b>	3,603
Net credit (debit) to asset revaluation reserve		2,408	–
<b>Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity</b>		<b>2,408</b>	–
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>7,566</b>	3,603

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION**

as at 30 June 2002

	<i>Notes</i>	<i>2001–02</i> <i>\$'000</i>	<i>2000–01</i> <i>\$'000</i>
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	6A	17,308	21,724
Receivables	6B	2,259	2,274
<b>Total financial assets</b>		<b>19,567</b>	23,998
<b>Non-financial assets</b>			
Infrastructure, plant and equipment	7A	7,242	5,488
Intangibles	7B	1,306	1,288
Other	7C	476	803
<b>Total non-financial assets</b>		<b>9,024</b>	7,579
<b>Total assets</b>		<b>28,591</b>	31,577
<b>LIABILITIES</b>			
<b>Interest bearing liabilities</b>			
Leases	8A	1,312	1,330
<b>Total interest bearing liabilities</b>		<b>1,312</b>	1,330
<b>Provisions</b>			
Capital user charge		672	307
Employees	8B	10,551	9,023
		<b>11,223</b>	9,330
<b>Payables</b>			
Suppliers	8C	1,752	7,878
Other	8D	–	1,000
		<b>1,752</b>	8,878
<b>Total provisions and payables</b>		<b>12,974</b>	18,208
<b>Total liabilities</b>		<b>14,287</b>	19,538
<b>EQUITY</b>			
9A			
<b>Parent entity interest</b>			
Capital		4,831	4,831
Reserves		2,408	–
Accumulated surpluses		7,065	7,208
<b>Total parent entity interest</b>		<b>14,304</b>	12,039
<b>Total equity</b>		<b>14,304</b>	12,039
<b>Total liabilities and equity</b>		<b>28,591</b>	31,577
Current assets		20,043	24,802
Non-current assets		8,548	6,775
Current liabilities		6,272	12,337
Non-current liabilities		8,015	7,201

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS**

for the period ended 30 June 2002

	Notes	2001–02 \$'000	2000–01 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Sales of goods and services			
Government		3,261	3,871
Non-government		42	–
Appropriations for outputs		78,408	56,039
Interest		1,212	1,115
Other		1,174	416
GST refunds		4,561	1,421
<b>Total cash received</b>		<b>88,658</b>	<b>62,861</b>
<b>Cash used</b>			
Employees		28,429	29,603
Suppliers		41,740	17,124
GST payments		5,043	1,941
Other		10,752	3,438
<b>Total cash used</b>		<b>85,964</b>	<b>52,107</b>
<b>Net cash from operating activities</b>	5	<b>2,694</b>	<b>10,755</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		–	3
Other		–	5
<b>Total cash received</b>		<b>–</b>	<b>8</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		428	843
Purchase of intangibles		253	223
<b>Total cash used</b>		<b>681</b>	<b>1,066</b>
<b>Net cash from investing activities</b>		<b>(681)</b>	<b>(1,058)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Other		–	–
<b>Total cash received</b>		<b>–</b>	<b>–</b>
<b>Cash used</b>			
Dividends paid		5,000	–
Capital use paid		936	331
Repayments of debt		493	–
<b>Total cash used</b>		<b>6,429</b>	<b>331</b>
<b>Net cash from financing activities</b>		<b>(6,429)</b>	<b>(331)</b>
<b>Net increase in cash held</b>		<b>(4,416)</b>	<b>9,366</b>
Cash at the beginning of the reporting period		21,724	12,358
<b>Cash at the end of the reporting period</b>	6A	<b>17,308</b>	<b>21,724</b>

**SCHEDULE OF COMMITMENTS**

as at 30 June 2002

	2001-02 \$'000	2000-01 \$'000
<b>By type</b>		
<b>Other commitments</b>		
Operating leases	23,029	25,475
Other commitments	5,769	16,239
<b>Total other commitments</b>	<b>28,798</b>	41,714
<b>Net commitments</b>	<b>28,798</b>	41,714
<b>By maturity</b>		
<b>All net commitments</b>		
One year or less	7,352	16,886
From one to five years	20,354	20,889
Over five years	1,092	3,939
<b>Net commitments</b>	<b>28,798</b>	41,714
<b>Operating lease commitments</b>		
One year or less	4,479	4,117
From one to five years	17,458	17,420
Over five years	1,092	3,938
<b>Net commitments</b>	<b>23,029</b>	25,475

Operating leases comprise leases of office accommodation and motor vehicles for the department. Office accommodation lease payments are subject to periodic increase in accordance with the rent review provisions of the lease. The period of the lease is until 2007. There are no renewal or purchase options available to the department for motor vehicle leases.

Note: GST is included in commitment amounts where applicable.

The above Schedule of Commitments should be read in conjunction with the accompanying notes.

**SCHEDULE OF CONTINGENCIES**

as at 30 June 2002

	<i>2001-02</i>	<i>2000-01</i>
	<i>\$'000</i>	<i>\$'000</i>
<b>Contingent losses</b>		
Claims for damages/costs	<b>20</b>	–
<b>Total contingent losses</b>	<b>20</b>	–
<b>Contingent gains</b>		
	–	–
<b>Total contingent gains</b>	–	–
<b>Net contingencies</b>	<b>20</b>	–

The contingent liabilities are for two compensation claims that relate to the Commonwealth Heads of Government Meeting. One item is unquantifiable as at 30 June 2002.

The above Schedule of Contingencies should be read in conjunction with the accompanying notes.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

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**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

**NOTE 1. DEPARTMENTAL OUTCOME**

The department's outcome is *sound and well-coordinated government policies, programmes and decision-making processes*.

The department's output groups are:

- Output group 1: Economic policy advice and coordination
- Output group 2: Social policy advice and coordination
- Output group 3: International policy advice and coordination
- Output group 4: Support services for government operations.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) 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:

- Schedule 1 to the Financial Management and Accountability Orders (FMOs) made by the Minister for Finance and Administration for the financial year ending on or after 30 June 2002
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board
- other authoritative pronouncements of the Board
- Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to:

- Statements of Accounting Concepts
- the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost principles. Except where stated, they have not been adjusted to take account of either change in the general purchasing power of the dollar or of changes in the prices of specific assets.

Assets and liabilities are recognised in the 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. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

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 department in its present form, and with its present outcome, is dependent on government policy and on continuing appropriations by Parliament.

**(b) Changes in Accounting Policy**

Changes in accounting policy have been identified in this note under their appropriate headings.

**(c) Agency and Administered Items**

Agency assets, liabilities, revenues and expenses are those that the department controls.

Administered assets, liabilities, revenues and expenses are those that are controlled by the Commonwealth and managed by the department on behalf of the Commonwealth.

The purpose of the distinction between agency and administered items in the financial statements is to enable assessments of efficiency in providing goods and services while at the same time providing accountability for all resources under the responsibility of the department.

The basis of accounting described in Note 2(a) applies both to agency and administered items.

Schedule 1 of the FMOs requires that internal funding flows to and from the Official Public Account (appropriations and fund transfers) are not to be disclosed in the entity's financial statements. This change from 2000–01 acknowledges that the reporting of administered activities managed by the department is inappropriate, as they are performed on behalf of the Commonwealth. Therefore the notes to these financial statements do not report any transactions or balances that are internal to the administered entity, except for the disclosure of administered cash flows, which is necessary for completeness.

**(d) Official Gifts**

Official gifts brought to account in the Financial Statements include official gifts purchased by the department for presentation by the Governor-General, Prime Minister, Ministers or approved parliamentary delegations.

**(e) Revenues from Government**

Revenues from government are revenues relating to the core operating activities of the department.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

***Agency appropriations***

Appropriations for departmental outputs are recognised to the extent that they have been received or are entitled to be received. This is a change in accounting policy from 2000–01, where they were recognised to the extent that they had been received.

The change in policy had no financial effect in 2001–02 as the full appropriation for 2000–01 was received in that year.

**(f) Resources Received Free of Charge**

Services received free of charge are recognised in the statement of financial performance 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 services is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements.

**(g) Other Revenue**

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

**(h) Grants**

The department applies a uniform policy for all grants. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied. Where grant moneys are paid in advance of performance or eligibility, a prepayment is recognised.

The department administers a number of grant schemes on behalf of the Commonwealth.

**(i) Employee Entitlements**

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 department is estimated to be less than the annual entitlement for sick leave.

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

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

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

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

**(j) Superannuation**

Departmental staff contribute to the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) and other superannuation schemes held outside the Commonwealth. Employer contributions for 2001–02 were: CSS – \$1,494,204; PSS – \$1,692,844; and other schemes – \$166,106. These contributions include 3% superannuation productivity payments and have been expensed in the financial statements.

No liability is shown for superannuation in the Statement of Financial Position as the employer contributions fully extinguish the accruing liability, which is assumed by the Commonwealth.

**(k) Leases**

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

A finance lease was recognised in relation to information technology equipment in accordance with accounting standard AAS17: Leases, for the first time as at 30 June 2001. The lease is non-cancellable and for a fixed term of three years and had previously been recognised as an operating lease. The department guarantees the residual values of all leased assets. There are no contingent rentals.

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

Operating lease payments are charged to the Statement of Financial Performance on a basis that is representative of the pattern of benefits derived from the leased assets.

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

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

**(l) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank.

**(m) Financial Instruments**

Accounting policies for financial instruments are stated at note 12.

**(n) 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 administrative arrangements. In the latter case, assets are initially recognised at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

**(o) Non-current assets*****Property, plant and equipment******Asset recognition threshold***

Purchases of property, 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 that are significant in total).

***Revaluations***

Schedule 1 of the FMOs requires that property, plant and equipment be progressively revalued in accordance with the 'deprival' method of valuation in successive three-year cycles. All valuations are independent.

The department has implemented its progressive revaluations as follows:

- Freehold land and buildings were revalued as at 30 June 2000 (having been previously revalued as at 30 June 1997).
- Leasehold improvements were revalued as at 30 June 2002 (having been previously revalued as at 30 June 1999).
- Plant and equipment assets were revalued as at 30 June 2002. They were previously revalued in 1999 if considered significant (assets are considered significant if their cost is greater than \$50,000).
- Official Establishments administered plant and equipment assets were revalued as at 30 June 2000 (having been previously revalued as at 30 June 1997).

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

Assets in each class acquired after the commencement of the progressive revaluation cycle will be reported at cost for the duration of the progressive revaluation.

With the application of the deprival method of valuation, the department values land at its current market buying price and its other assets at their depreciated replacement cost. Any assets that would not be replaced or are surplus to requirements are valued at net realisable value. At 30 June 2002, the department had no assets in this situation.

***Intangibles******Asset recognition threshold***

Purchases of intangibles 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***

Intangible assets comprise externally acquired software. The assets were revalued in accordance with Schedule 1 of the FMOs. All valuations are independent.

Assets acquired after the commencement of the progressive revaluation cycle will be reported at cost for the duration of the progressive revaluation.

***Recoverable amount test***

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

**(p) Depreciation and Amortisation of Non-Current Assets**

Land, being an asset with an unlimited useful life, is not depreciated.

Buildings are depreciated over their useful life using the straight line method.

The cost (or other value) of leasehold improvements is amortised on a straight line basis over the estimated useful life of the improvement or the unexpired period of the lease, 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 or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in price only when assets are revalued.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

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

	2001–02	2000–01
<b>Administered assets</b>		
Buildings on freehold land	150 years	150 years
Plant and equipment	4 to 50 years	4 to 50 years
<b>Departmental assets</b>		
Leasehold improvements	Lease term	Lease term
Plant and equipment	4 to 10 years	4 to 10 years
Intangibles	4 to 5 years	4 to 5 years

**(q) Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Cost is determined as the purchase price of such inventory items, and no threshold for recognition is applied.

**(r) Administered Investments**

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the whole-of-government level.

The Commonwealth's investment in other controlled authorities and companies in this portfolio is valued at the aggregate of the Commonwealth's share of the net assets or net liabilities of each entity. The carrying amount of each investment and the associated investment reserve is fixed as at 1 July 1997, adjusted for any subsequent capital injections or withdrawals.

**(s) Former Governors-General allowances**

The department has administrative responsibility for the payment of former Governors-General allowances. The revised actuarial assessment of the liability in relation to these allowances was made as at 30 June 2002.

**(t) Transactions by the Government as Owner**

From 1 July 2001, appropriations designated as 'Capital – equity injections' are recognised directly in contributed equity to the extent that the appropriation is not dependent on future events, as at 1 July, and to the extent that it is dependent on specified future events requiring future performance as it is drawn down. Previously, all equity injections were recognised as contributed equity on drawdown.

Net assets received under a restructuring of administrative arrangements are designated by the Finance Minister as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

initially recognised at the amounts at which they were recognised by the transferring agency immediately prior to the transfer.

**(u) Foreign Currency**

Transactions denominated in foreign currencies are converted at the exchange rate at the date of the transaction.

**(v) Taxation**

The department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**(w) Capital User Charge**

A capital usage charge of 11 per cent (2000–01: 12 per cent) is imposed by the Commonwealth on the net departmental assets of the agency. The charge is adjusted to take account of asset gifts and revaluation increments during the financial year.

**(x) Insurance**

The department is insured with Comcover for risks other than workers compensation, which is insured with Comcare.

**(y) Comparatives**

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

**(z) Rounding**

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

- act of grace payments and waivers
- remuneration of executives
- remuneration of auditors
- appropriations.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

**NOTE 3. OPERATING REVENUES**

The amount and particulars of the following classes of revenues were included in the aggregate amounts shown in the Statement of Financial Performance.

**Note 3A – Revenues from government**

Appropriations for outputs	78,408	56,039
Resources received free of charge	507	539
<b>Total</b>	<b>78,915</b>	<b>56,578</b>

**Note 3B – Sales of goods and services**

Services	1,421	420
Sales sold as:		
Government	1,370	420
Non-government	51	–
<b>Total</b>	<b>1,421</b>	<b>420</b>

**Note 3C – Interest**

<b>Interest on deposits</b>	<b>1,209</b>	<b>1,120</b>
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**Note 3D – Net gains from asset sales**

Infrastructure, plant and equipment:		
Revenue (consideration) from sale	1	7
Net book value at sale	–	–
<b>Net gains from asset sales</b>	<b>1</b>	<b>7</b>

**Note 3E – Net foreign exchange gains**

<b>Non-speculative</b>	<b>–</b>	<b>5</b>
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**Note 3F – Other operating revenues**

Revenue from Commonwealth agencies	1,358	3,800
<b>Total</b>	<b>1,358</b>	<b>3,800</b>

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

**NOTE 4. OPERATING EXPENSES**

The amount and particulars of the following classes of expenditure were included in the aggregate amounts shown in the Statement of Financial Performance.

**Note 4A – Employee expenses**

Remuneration (for services provided)	30,363	28,865
Separation and redundancy	198	362
Other	56	193
<b>Total</b>	<b>30,617</b>	<b>29,420</b>

**Note 4B – Supplier expenses**

Supply of goods and services <sup>1</sup>	32,637	17,167
Operating lease rentals	3,903	4,192
<b>Total</b>	<b>36,540</b>	<b>21,359</b>

**Note 4C – Grants**

Grants to non-profit institutions	94	264
<b>Total</b>	<b>94</b>	<b>264</b>

**Note 4D – Depreciation and amortisation**

Depreciation of infrastructure, plant and equipment	860	775
Amortisation of intangibles – software	465	428
Amortisation of leased assets	443	300
<b>Total</b>	<b>1,768</b>	<b>1,503</b>

**Note 4E – Write-down of assets**

Non-financial assets		
– Infrastructure, plant and equipment	–	52
<b>Total</b>	<b>–</b>	<b>52</b>

<sup>1</sup>The increase in supplier expenses is due to the Commonwealth Heads of Government Meeting, including its rescheduling from October 2001 to March 2002 after the unforeseen events that occurred on 11 September, 2001.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

**Note 4F – Net losses from sales of assets**

Non-financial assets – Infrastructure, plant and equipment		
Revenue (consideration) from sale	2	2
Expense from sale	27	6
<b>Net losses from sales of assets</b>	<b>25</b>	<b>4</b>

**Note 4G – Borrowing costs expense**

Leases	111	–
<b>Total</b>	<b>111</b>	<b>–</b>

**Note 4H – Other costs of providing goods and services**

Purchase of services from other government bodies	8,591	5,725
<b>Total</b>	<b>8,591</b>	<b>5,725</b>

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02 \$'000	2000–01 \$'000
<b>NOTE 5. CASH FLOW RECONCILIATION</b>		
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	<b>17,308</b>	21,724
Statement of Financial Position items comprising above cash:		
'Financial Asset – Cash'	<b>17,308</b>	21,724
Reconciliation of operating surplus to net cash provided by operating activities		
Net operating surplus	<b>5,158</b>	3,603
Depreciation of infrastructure, plant and equipment	<b>1,325</b>	1,203
Amortisation of lease incentive	<b>443</b>	300
Net loss (gain) on sale of infrastructure, plant and equipment	<b>24</b>	4
Write-down of assets	–	52
Borrowing costs	<b>111</b>	–
Change in operating assets and liabilities		
(Increase)/decrease in receivables	<b>15</b>	(1,562)
(Increase)/decrease in other assets	<b>318</b>	253
Increase/(decrease) in suppliers <sup>1</sup>	<b>(6,228)</b>	6,929
Increase/(decrease) in employee provisions	<b>1,528</b>	177
Increase/(decrease) in other liabilities	–	(204)
<b>Net cash provided by operating activities</b>	<b>2,694</b>	10,755

<sup>1</sup> Excludes \$101,000 of property, plant and equipment assets recognised where payment had not occurred as at 30 June 2002.

Note: Assets of \$475,000 (\$1.33m in 2000–01) were acquired under finance lease.

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

## NOTE 6. FINANCIAL ASSETS

### Note 6A – Cash

Cash held in special accounts	690	6,738
Cash in short term investments	14,570	14,675
Cash on hand and at bank	2,048	311
<b>Total</b>	<b>17,308</b>	<b>21,724</b>

### Note 6B – Receivables

GST receivable	248	287
Accrued revenue – special account	270	475
Accrued revenue – departmental	39	219
Accrued revenue – interest	79	82
	<b>388</b>	<b>776</b>
Goods and services	1,605	1,207
Special account	23	9
Less provision for doubtful debts	(5)	(5)
<b>Net receivables for goods and services</b>	<b>1,623</b>	<b>1,211</b>
<b>Total receivables</b>	<b>2,259</b>	<b>2,274</b>

Receivables (gross) are aged as follows:

Not overdue	1,107	2,243
Overdue by:		
less than 30 days	500	2
30 to 60 days	4	–
60 to 90 days	–	29
more than 90 days <sup>1</sup>	648	–

<sup>1</sup> Ministerial and Parliamentary Services (MAPS) owes 94 per cent of the amount overdue by more than 90 days. MAPS is a division of the Department of Finance and Administration.

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

## NOTE 7. NON-FINANCIAL ASSETS

### Note 7A – Infrastructure, plant and equipment

Infrastructure, plant and equipment – at cost	308	4,234
Accumulated depreciation	(2)	(1,737)
	<b>306</b>	2,497
Equipment under finance lease – at cost	1,806	1,330
Accumulated amortisation	(443)	–
	<b>1,363</b>	1,330
Infrastructure, plant and equipment – at valuation 2001–02 <sup>1</sup>	7,459	3,469
Accumulated depreciation	(1,886)	(1,808)
	<b>5,573</b>	1,661
<b>Total</b>	<b>7,242</b>	5,488

### Note 7B – Intangibles

Intangibles – at cost	187	3,071
Accumulated depreciation	–	(1,783)
	<b>187</b>	1,288
Intangibles – at valuations 2001–02 <sup>1</sup>	2,606	–
Accumulated depreciation	(1,487)	–
	<b>1,119</b>	–
<b>Total</b>	<b>1,306</b>	1,288

### Note 7C – Other

Prepayments	476	803
<b>Total</b>	<b>476</b>	803

<sup>1</sup> Asset valuations were performed by Hymans Asset Management.

## Notes to and forming part of the Financial Statements

for the period ended 30 June 2002

## NOTE 7D - ANALYSIS OF INFRASTRUCTURE, PLANT, EQUIPMENT AND INTANGIBLES

<i>Aggregate for all property, plant and equipment</i>	<i>Infrastructure plant and equipment</i>	<i>Intangibles</i>	<i>Total</i>
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## TABLE A

<i>Movement summary 2001–02 for all assets irrespective of valuation basis</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Gross value as at 1 July 2001</b>	9,033	3,071	12,104
Additions	896	261	1,157
Disposals	(237)	(784)	(1,021)
Revaluations	(121)	246	125
Assets transferred out	–	–	–
Other movements	–	–	–
<b>Gross value as at 30 June 2002</b>	<b>9,571</b>	<b>2,794</b>	<b>12,365</b>
<b>Accumulated depreciation/amortisation at 1 July 2001</b>	3,545	1,783	5,328
Depreciation/amortisation charge for assets held at 1 July 2001	1,282	457	1,739
Depreciation/amortisation charge for additions	22	7	29
Adjustment for disposals	(213)	(783)	(996)
Adjustments for revaluations	(2,307)	24	(2,283)
Adjustments for assets transferred out	–	–	–
Adjustments for other movements	–	–	–
<b>Accumulated depreciation/amortisation at 30 June 2002</b>	<b>2,329</b>	<b>1,488</b>	<b>3,817</b>
<b>Net book value as at 30 June 2002</b>	<b>7,242</b>	<b>1,306</b>	<b>8,548</b>
<b>Net book value as at 1 July 2001</b>	5,488	1,288	6,776

## TABLE B

## Summary of balances of assets at valuation as at 30 June 2002

<b>Item</b>			
<b>As at 30 June 2002</b>			
Gross value	7,459	2,606	10,065
Accumulated depreciation	(1,886)	(1,487)	(3,373)
<b>Net book value</b>	<b>5,573</b>	<b>1,119</b>	<b>6,692</b>
<b>As at 30 June 2001</b>			
Gross value	3,469	–	3,469
Accumulated depreciation	(1,808)	–	(1,808)
<b>Net book value</b>	1,661	–	1,661

## TABLE C

## Summary of balances of assets held under finance lease as at 30 June 2002

<b>Item</b>			
<b>As at 30 June 2002</b>			
Gross value	1,806	–	1,806
Accumulated amortisation	(443)	–	(443)
<b>Net book value</b>	<b>1,363</b>	<b>–</b>	<b>1,363</b>
<b>As at 30 June 2001</b>			
Gross value	1,330	–	1,330
Accumulated amortisation	–	–	–
<b>Net book value</b>	1,330	–	1,330

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

## NOTE 8. LIABILITIES

### Note 8A – Leases

Finance lease commitments		
One year or less	715	446
From one to five years	731	1,022
Over five years	–	–
<b>Minimum lease payments</b>	<b>1,446</b>	<b>1,468</b>
<b>Deduct: future finance charges</b>	<b>(134)</b>	<b>(138)</b>
<b>Lease liability</b>	<b>1,312</b>	<b>1,330</b>
Finance lease liability is represented by:		
Current	619	425
Non-current	693	905
	<b>1,312</b>	<b>1,330</b>

### Note 8B – Employees

Salaries and wages	694	–
Leave	9,857	9,023
<b>Total</b>	<b>10,551</b>	<b>9,023</b>
Current	3,230	2,678
Non-current	7,321	6,345
	<b>10,551</b>	<b>9,023</b>

### Note 8C – Suppliers

Trade creditors	1,752	7,878
<b>Total</b>	<b>1,752</b>	<b>7,878</b>
Current	1,752	7,878

### Note 8D – Other

Return of capital	–	1,000
<b>Total</b>	<b>–</b>	<b>1,000</b>

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

## NOTE 9. EQUITY

### Note 9A – Agency equity

<i>Item</i>	<i>Capital</i>		<i>Accumulated results</i>		<i>Asset revaluation reserves</i>		<i>Total reserves</i>		<i>Total Equity</i>	
	<i>2001-02</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2000-01</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Accumulated results										
Balance at 1 July 2001	<b>4,831</b>	4,831	<b>7,208</b>	4,332	-	-	-	-	<b>12,039</b>	9,163
Operating result	-	-	<b>5,158</b>	3,603	-	-	-	-	<b>5,158</b>	3,603
Net revaluation Increment/(decrement)	-	-	-	-	<b>2,408</b>	-	<b>2,408</b>	-	<b>2,408</b>	-
Restructuring transfers	-	-	-	(89)	-	-	-	-	-	(89)
Dividends provided or paid for	-	-	<b>(4,000)</b>	-	-	-	-	-	<b>(4,000)</b>	-
Capital use charge	-	-	<b>(1,301)</b>	(638)	-	-	-	-	<b>(1,301)</b>	(638)
<b>Balance at 30 June 2002</b>	<b>4,831</b>	4,831	<b>7,065</b>	7,208	<b>2,408</b>	-	<b>2,408</b>	-	<b>14,304</b>	12,039

Note: Transactional banking arrangements introduced from 1 July 1999 enable agencies to manage their surplus cash balances and earn interest on them. Reviews are being conducted by the Department of Finance and Administration with each agency to determine whether interest earned to 30 June 2002 was consistent with the government's budget neutrality condition for the arrangements. As at the date of signing these financial statements, no decision had been made by the government of the amount, if any, of the distribution of equity to be made by the department.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

**NOTE 9. EQUITY (cont)****Note 9C – Restructuring**

2000–01: As a result of restructuring of administrative arrangements, on 30 January 2001 the department relinquished responsibility for reporting the Office of Indigenous Policy to the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs.

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

Total assets relinquished	–	(869)
Total liabilities relinquished	–	780
<b>Net assets relinquished</b>	<b>–</b>	<b>(89)</b>

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

**NOTE 10. EXECUTIVE REMUNERATION**

The table below identifies the number of Executive officers in receipt of total remuneration of \$100,000 or more, within brackets of \$10,000.

	<i>2001–02</i>	<i>2000–01</i>
	<i>Number</i>	<i>Number</i>
The number of executive officers who received or were due to receive total remuneration of \$100,000 or more:		
\$100,000 to \$110,000	1	3
\$110,001 to \$120,000	4	4
\$120,001 to \$130,000	4	8
\$130,001 to \$140,000	9	7
\$140,001 to \$150,000	2	5
\$150,001 to \$160,000	3	–
\$160,001 to \$170,000	4	3
\$170,001 to \$180,000	–	2
\$180,001 to \$190,000	1	1
\$190,001 to \$200,000	1	1
\$210,001 to \$220,000	1	1
\$340,001 to \$350,000	1	–
\$380,001 to \$390,000	–	1
	<b>31</b>	<b>36</b>

This comprised:

The aggregate amount of total remuneration of executive officers shown above.

**\$4,637,765**      \$5,267,119

Total remuneration includes:

- The aggregate amount of separation and redundancy payments during the year to executive officers shown above.

–                      –

## Notes to and forming part of the Financial Statements for the period ended 30 June 2002

### NOTE 11. FINANCIAL INSTRUMENTS

Note: All financial instruments are recognised in the financial statements and the carrying amount of each instrument equals its net fair value.

#### Part 1. Terms, conditions and accounting policies

<i>Financial instrument</i>	<i>Notes</i>	<i>Accounting policies and methods (including recognition criteria and measurement basis)</i>	<i>Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)</i>
<b>Financial assets</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	6	Cash at bank is recognised at its nominal amount. Interest is credited to revenue as it accrues.	Moneys in the agency's bank accounts are swept into the Official Public Account nightly and interest is earned on a daily balance at rates based on money market call rates. Interest is paid quarterly.
Receivables for goods and services	6	These receivables are recognised at the nominal amounts due, less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less likely rather than more likely.	Settlement is net 14 days or less.
Accrued revenue	6	Interest is credited to revenue as it accrues and is payable quarterly.	Interest is due on the last day of each quarter.
<b>Financial liabilities</b>		Financial liabilities are recognised when a present obligation to an external party occurs and is reliably measurable.	
Finance lease liabilities	8	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At reporting date, the department had a finance lease with a maximum term of two years. The interest rate implicit in the leases averaged 5.95%. The lease assets secure the lease liabilities.
Trade creditors	8	Creditors and accruals are recognised at their nominal amounts, which are the amounts at which the liabilities will be settled. They are recognised to the extent that the related goods or services have been received, or to the extent an obligation arises from a legally binding contract.	Settlement is net 28 days or less.

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

**Part 2. Interest rate risk: agency**

Financial instrument	Notes	Floating interest rate		Fixed interest rate						Non-interest bearing		Total		Weighted average effective interest rate
				1 year or less		1 to 2 years		2 to 5 years						
		2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	
<b>Financial assets</b>														
Cash at bank	6A	2,734	7,045	14,570	14,675	-	-	-	-	4	4	17,308	21,724	4.5%
Receivables for goods and services	6B	-	-	-	-	-	-	-	-	2,259	2,274	2,259	2,274	n/a
<b>Total financial assets (recognised)</b>		<b>2,734</b>	<b>7,045</b>	<b>14,570</b>	<b>14,675</b>					<b>2,263</b>	<b>2,278</b>	<b>19,567</b>	<b>23,998</b>	
<b>Total assets</b>												<b>28,591</b>	<b>31,577</b>	
<b>Financial liabilities</b>														
Finance lease liability	8A	-	-	715	446	731	489	-	533	-	-	1,446	1,468	5.95%
Trade creditors	8C	-	-	-	-	-	-	-	-	1,752	7,878	1,752	7,878	n/a
<b>Total financial liabilities (recognised)</b>		<b>-</b>	<b>-</b>	<b>715</b>	<b>446</b>	<b>731</b>	<b>489</b>	<b>-</b>	<b>533</b>	<b>1,752</b>	<b>7,878</b>	<b>3,198</b>	<b>9,346</b>	
<b>Total liabilities</b>												<b>14,287</b>	<b>19,538</b>	

### **Part 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 the finance lease are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors are approximated by their carrying amounts.

### **Part 4. Credit risk**

The maximum exposure to credit risk as at reporting date in relation to each class of financial assets is the carrying amount of the assets as indicated in the Statement of Financial Position. There are no significant exposures to any concentration of credit risk. No collateral or other security is held in relation to any financial asset.

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000

## NOTE 12. ADMINISTERED ITEMS

### Note 12A – Revenues administered on behalf of government

#### Revenues

##### Sales of goods and services

Provision of services – related entities	5,891	7,392
<b>Total</b>	<b>5,891</b>	<b>7,392</b>

##### Other revenue

Other	–	13
<b>Total</b>	<b>–</b>	<b>13</b>

<b>Total revenues administered on behalf of government</b>	<b>5,891</b>	<b>7,405</b>
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**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02 \$'000	2000–01 \$'000
<b>Note 12B – Expenses administered on behalf of government</b>		
<b>EXPENSES</b>		
<b>Grants</b>		
Grants to non-profit institutions	3,687	6,599
Grants to other sectors in the Commonwealth	568	–
Grants to state and territory governments	10,009	8,814
<b>Total</b>	<b>14,264</b>	15,413
<b>Personal benefits</b>		
Former Governors-General	943	424
<b>Total</b>	<b>943</b>	424
<b>Employees</b>		
Wages and salaries	593	630
Superannuation	81	70
Leave and other entitlements	122	123
<b>Total</b>	<b>796</b>	823
<b>Suppliers</b>		
Supply of goods and services	13,797	15,275
Operating lease rentals	157	16
<b>Total</b>	<b>13,954</b>	15,291
<b>Depreciation and amortisation</b>		
Infrastructure, plant and equipment	71	31
Buildings	65	65
<b>Total</b>	<b>136</b>	96
<b>Write-down of assets</b>		
Non financial assets		
– Infrastructure, plant and equipment	14	32
– Inventory	–	108
<b>Total</b>	<b>14</b>	140
<b>Total expenses administered on behalf of government</b>	<b>30,107</b>	32,187

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02 \$'000	2000–01 \$'000
<b>Note 12C – Assets administered on behalf of government</b>		
<b>FINANCIAL ASSETS</b>		
<b>Cash</b>		
Agency	9,144	9,896
<b>Total</b>	<b>9,144</b>	<b>9,896</b>
<b>Receivables</b>		
Goods and services tax	417	315
Accrued revenue	1,040	1,465
<b>Goods and services</b>	<b>467</b>	<b>2</b>
Less provision for doubtful debts	–	–
<b>Net receivables for goods and services</b>	<b>467</b>	<b>2</b>
<b>Total receivables</b>	<b>1,924</b>	<b>1,782</b>
Receivables (gross) are aged as follows:		
Current	1,918	1,782
Overdue by:		
less than 30 days	–	–
30 to 60 days	–	–
60 to 90 days	–	–
more than 90 days	6	–

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02 \$'000	2000–01 \$'000
<b>Note 12C – Assets administered on behalf of government (cont)</b>		
<b>NON-FINANCIAL ASSETS</b>		
<b>Land and buildings</b>		
Land – at valuation 1999–2000	22,500	22,500
Buildings – at valuation 1999–2000 <sup>1</sup>	6,166	6,166
Accumulated depreciation	(2,220)	(2,155)
	<b>3,946</b>	4,011
<b>Total</b>	<b>26,446</b>	26,511
<b>Infrastructure, plant and equipment</b>		
Infrastructure, plant and equipment – at cost	199	237
Accumulated depreciation	(50)	(2)
	<b>149</b>	235
Infrastructure, plant and equipment – at valuation 1999–2000 <sup>1</sup>	690	690
Accumulated depreciation	(267)	(267)
	<b>423</b>	423
<b>Total</b>	<b>572</b>	658
<b>Inventories</b>		
Inventories not held for sale	231	231
<b>Total</b>	<b>231</b>	231
<b>Other</b>		
Prepayments	340	–
<b>Total</b>	<b>340</b>	–
<b>Total assets administered on behalf of government</b>	<b>38,657</b>	39,078

<sup>1</sup> Asset revaluations were performed by the Australian Valuation Office.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

	2001–02 \$'000	2000–01 \$'000
<b>Note 12D – Liabilities administered on behalf of government</b>		
<b>Provisions</b>		
Salaries and wages	19	–
Employees' leave	240	243
	<b>105</b>	64
Current	<b>154</b>	179
Non-current	<b>259</b>	243
<b>Payables</b>		
Suppliers – Trade creditors	<b>2,336</b>	1,427
Grants		
Grants to non-profit institutions	<b>116</b>	–
Personal benefits – former Governors-General allowances	<b>6,250</b>	5,750
<b>Total</b>	<b>8,702</b>	7,177
<b>Total liabilities administered on behalf of government</b>	<b>8,961</b>	7,420

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

	2001–02	2000–01
	\$'000	\$'000
<b>Note 12E – Administered cash flows</b>		
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Cash from Official Public Account	27,727	29,257
Sales of goods and services	6,918	7,503
Goods and services tax refund	1,897	1,247
<b>Total cash received</b>	<b>36,542</b>	<b>38,007</b>
<b>Cash used</b>		
Employees	781	685
Personal benefits	443	424
Suppliers	16,435	17,392
Grants	14,166	15,388
Cash to Official Public Account	602	13
<b>Total cash used</b>	<b>32,427</b>	<b>33,902</b>
<b>Net cash from operating activities</b>	<b>4,115</b>	<b>4,105</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Other	–	–
<b>Total cash received</b>	<b>–</b>	<b>–</b>
<b>Cash used</b>		
Purchase of property, plant and equipment	–	237
<b>Total cash used</b>	<b>–</b>	<b>237</b>
<b>Net cash from investing activities</b>	<b>–</b>	<b>(237)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
GST appropriations	2,145	1,703
<b>Total cash received</b>	<b>2,145</b>	<b>1,703</b>
<b>Cash Used</b>		
Dividends	5,000	–
Return of GST appropriations to Official Public Account	2,012	1,550
<b>Total cash used</b>	<b>7,012</b>	<b>1,550</b>
<b>Net cash from financing activities</b>	<b>(4,867)</b>	<b>153</b>
<b>Net increase in cash held</b>	<b>(752)</b>	<b>4,021</b>
Cash at the beginning of the reporting period	9,896	5,875
<b>Cash at the end of the reporting period</b>	<b>9,144</b>	<b>9,896</b>

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

## NOTE 13. APPROPRIATIONS

### Note 13A – Official Public Account Appropriation Acts (Nos 1 & 3) 2001–02

<i>Particulars</i>	<i>Administered expenses (Outcome 1)</i>	<i>Departmental outputs</i>	<i>Total</i>
<b>Year ended 30 June 2002</b>			
Balance carried from previous year	470,527	13,777,984	14,248,511
Appropriation for reporting period (Act 1)	22,789,000	56,974,000	79,763,000
Amounts from the advance to the Finance Minister	–	21,433,916	21,433,916
GST credits (FMA s30A)	2,022,669	4,852,496	6,875,165
Annotations to 'net appropriations' (FMA s31)	–	3,967,890	3,967,890
Other annotations	517,466	–	517,466
Transfers to/from other agencies (FMA s32)	568,000	–	568,000
Administered expenses lapsed under determination	(6,854,161)	–	(6,854,161)
Available for payments	19,513,501	101,006,286	120,519,787
<b>Payments made</b>	<b>18,063,596</b>	<b>87,243,595</b>	<b>105,307,191</b>
<b>Balance carried to next year</b>	<b>1,449,905</b>	<b>13,762,691</b>	<b>15,212,596</b>
<b>Year ended 30 June 2001</b>			
Available for payments 2001	30,609,336	64,161,987	94,771,323
Payments made 2001	30,138,809	50,384,003	80,522,812
Balance carried forward to 1 July 2001	470,527	13,777,984	14,248,511

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

## NOTE 13. APPROPRIATIONS (cont)

### Note 13B – Appropriation Acts (Nos 2 & 4) 2001–02

Particulars	Administered Outcome 1		Capital				Total
			Departmental			Administered	
			Equity	Loans	Carryovers	Capital	
	SPPs	Other					
<b>Year ended 30 June 2002</b>							
Balance carried from previous year	–	–	–	–	1,207,529	–	1,207,529
Appropriation for reporting period (Act 1)	2,621,000	–	–	–	–	–	2,621,000
Amounts from the advance to the Finance Minister	7,379,000	–	–	–	–	–	7,379,000
Available for payments	10,000,000	–	–	–	1,207,529	–	11,207,529
<b>Payments made</b>	<b>10,000,000</b>	–	–	–	<b>1,207,529</b>	–	<b>11,207,529</b>
<b>Balance carried to next year</b>	–	–	–	–	–	–	–
<b>Year ended 30 June 2001</b>							
Available for payments 2001	7,424,000	–	–	–	3,368,774	299,000	11,091,774
Payments made 2001	7,424,000	–	–	–	2,161,245	299,000	9,884,245
Balance carried forward to 1 July 2001	–	–	–	–	1,207,529	–	1,207,529

### Note 13C – Special Appropriations (Unlimited Amount)

Particulars	Administered Outcome 1	
	2001–02	2000–01
<b>Governor-General Act 1974 section 5</b>		
Budget estimate	537,000	508,000
<b>Payments made</b>	<b>442,597</b>	424,241

**Notes to and forming part of the Financial Statements**  
for the period ended 30 June 2002

## NOTE 14. RECEIPTS AND EXPENDITURE OF SPECIAL ACCOUNTS

Particulars	Administered		Departmental Outputs		Total	
	2001–02	2000–01	2001–02	2000–01	2001–02	2000–01
<b>Services for other Governments and Non-Agency Bodies Account</b>						
<i>Legal authority: Financial Management and Accountability Act 1997</i>						
<i>Purpose: Funds in this account are used for expenditure in connection with services performed on behalf of other governments and bodies that are not FMA agencies.</i>						
Balance carried from previous period			<b>1,318,073</b>	1,254,023	<b>1,318,073</b>	1,254,023
Receipts from other sources			<b>616,985</b>	987,665	<b>616,985</b>	987,665
GST credits			<b>40,568</b>	25,766	<b>40,568</b>	25,766
<b>Available for payments</b>			<b>1,975,626</b>	2,267,454	<b>1,975,626</b>	2,267,454
<b>Payments made</b>			<b>804,253</b>	949,381	<b>804,253</b>	949,381
Balance carried to next period			<b>1,171,373</b>	1,318,073	<b>1,171,373</b>	1,318,073

### Campaign Reserve Special Account

*Legal authority: Financial Management and Accountability Act 1997*

*Purpose: Funds in this account are used to cover a portion of the costs incurred by the Government Communications Unit in managing the Central Advertising System, which provides consolidated media buying services to Commonwealth departments and agencies. Revenue is derived from a small fee levied on departments and agencies that undertake advertising campaigns.*

Balance carried from previous period			<b>5,420,140</b>	3,638,788	<b>5,420,140</b>	3,638,788
Receipts from other sources			<b>1,813,762</b>	2,293,684	<b>1,813,762</b>	2,293,684
GST credits (FMA s30A)			–	–	–	–
<b>Available for payments</b>			<b>7,233,902</b>	5,932,472	<b>7,233,902</b>	5,932,472
<b>Payments made</b>			<b>4,865,241</b>	512,332	<b>4,865,241</b>	512,332
Balance carried to next period			<b>2,368,661</b>	5,420,140	<b>2,368,661</b>	5,420,140

### Media Commissions Advance Account

*Legal authority: Financial Management and Accountability Act 1997*

*Purpose: Funds in this account are used to remunerate the Commonwealth's contracted master media placement agencies and, if required, any creative advertising agencies, for the placement of Commonwealth Government advertising. Revenue is derived from the media commission payable to the Commonwealth for its advertising.*

Balance carried from previous period	<b>9,459,732</b>	5,871,059			<b>9,459,732</b>	5,871,059
Receipts from other sources	<b>6,918,211</b>	7,490,327			<b>6,918,211</b>	7,490,327
GST credits (FMA s30A)	<b>489,982</b>	85,534			<b>489,982</b>	85,534
<b>Available for payments</b>	<b>16,867,925</b>	13,446,920			<b>16,867,925</b>	13,446,920
<b>Payments made</b>	<b>9,553,615</b>	3,987,188			<b>9,553,615</b>	3,987,188
Balance carried to next period	<b>7,314,310</b>	9,459,732			<b>7,314,310</b>	9,459,732

Notes to and forming part of the Financial Statements  
for the period ended 30 June 2002

## NOTE 15. REPORTING OF OUTCOMES

### Note 15A – Total cost/contribution of outcomes (whole of government)

	Outcome 1	
	Actual \$'000	Budget \$'000
Other administered revenues	(5,891)	(2,266)
Net subsidies, benefits and grants expenses	15,206	19,426
Other administered revenues/expenses	14,900	8,787
Net cost of departmental outputs	73,140	55,521
Cost/contribution of outcome before extraordinary items	97,355	81,468
Extraordinary items		
Administered	–	–
Departmental	–	–
<b>Net cost/contribution to Budget outcome</b>	<b>97,355</b>	<b>81,468</b>

### Note 15B – Major departmental revenues and expenses by output group

	Output Group 1		Output Group 2		Output Group 3		Output Group 4		Total	
	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000	2001-02 \$'000	2000-01 \$'000
<b>Operating revenues</b>										
Revenues from government	9,324	8,643	13,045	14,592	4,327	3,969	52,219	29,374	78,915	56,578
Sale of goods and services	47	35	3	–	1	–	1,370	385	1,421	420
Other non-taxation revenues	265	803	995	1,166	118	104	1,190	2,859	2,568	4,932
<b>Total operating revenues</b>	<b>9,636</b>	<b>9,481</b>	<b>14,043</b>	<b>15,758</b>	<b>4,446</b>	<b>4,073</b>	<b>54,779</b>	<b>32,618</b>	<b>82,904</b>	<b>61,930</b>
<b>Operating expenses</b>										
Employees	5,670	6,572	8,225	9,429	2,638	2,690	14,083	10,729	30,617	29,420
Suppliers	2,448	2,572	4,280	4,197	1,154	911	28,659	13,679	36,540	21,359
Depreciation and amortisation	328	211	469	287	145	121	827	884	1,768	1,503
Other	–	–	–	497	–	–	8,710	5,548	8,710	6,045
<b>Total operating expenses</b>	<b>8,446</b>	<b>9,355</b>	<b>12,974</b>	<b>14,410</b>	<b>3,936</b>	<b>3,722</b>	<b>52,279</b>	<b>30,840</b>	<b>77,635</b>	<b>58,327</b>

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

**Note 15C – Major classes of departmental assets and liabilities by output group**

The department does not maintain information on the major classes of the departmental assets and liabilities by output group. Please refer to the Statement of Financial Position for information on the departmental assets and liabilities.

**Note 15D – Major classes of administered revenues and expenses by outcome**

	<i>Outcome 1</i>	
	<i>Actual</i>	<i>Budget</i>
	<i>\$'000</i>	<i>\$'000</i>
<b>Operating revenues</b>		
Other	<b>5,891</b>	7,405
<b>Total operating revenues</b>	<b>5,891</b>	7,405
<b>Operating expenses</b>		
Employees	<b>796</b>	823
Suppliers	<b>13,954</b>	15,291
Grants	<b>14,264</b>	15,413
Personal benefits	<b>943</b>	424
Depreciation	<b>136</b>	96
Other	<b>14</b>	140
<b>Total operating expenses</b>	<b>30,107</b>	32,187

**Note 15E – Major classes of administered assets and liabilities by outcome**

The department has only one outcome. Please refer to Note 12 – Administered Items.

**Notes to and forming part of the Financial Statements**

for the period ended 30 June 2002

**NOTE 16. ACT OF GRACE PAYMENTS AND WAIVERS**

There were no act of grace payments or waivers made during the reporting period.

**NOTE 17. AFTER BALANCE DATE EVENTS**

The department is not aware of any after balance date events that will affect the financial statements.

**NOTE 18. SERVICES PROVIDED BY THE AUDITOR-GENERAL**

	<i>2001-02</i>	<i>2000-01</i>
	<i>Actual</i>	<i>Actual</i>
	\$	\$
Financial statement audit services are provided free of charge to the department. The fair value of the services provided was:	<b>115,000</b>	115,000

No other services were provided to the department by the Auditor-General.

**NOTE 19. AVERAGE STAFFING LEVELS**

	<i>2001-02</i>	<i>2000-01</i>
	<i>Actual</i>	<i>Actual</i>
<i>The average staffing level for the department for the financial year was:</i>	<b>390</b>	358