

Human Rights and Equal Opportunity Commission Statement by the President

In my opinion, the attached financial statements for the year ended 30 June 2003 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*.

A handwritten signature in black ink, appearing to read 'John von Doussa', written in a cursive style.

John von Doussa, QC
President

23 September 2003

Human Rights and Equal Opportunity Commission
Statement of Financial Performance
for the year ended 30 June 2003

	Notes	2003 \$	2002 \$
Revenues from ordinary activities			
Revenues from government	3.1	11,172,000	10,765,000
Sales of goods and services	3.2	2,878,238	4,081,732
Interest	3.3	41,613	98,561
Proceeds from sale of assets	3.4	218	432
Revenues from ordinary activities		14,092,069	14,945,725
Expenses from ordinary activities			
Employees	4.1	7,518,635	7,485,375
Suppliers	4.2	5,382,439	5,900,137
Depreciation and amortisation	4.3	570,093	765,240
Book value of assets disposed	3.4	5,660	7,556
Write-down of assets	4.4	-	514,348
Expenses from ordinary activities		13,476,827	14,672,654
Net surplus		615,242	273,069
Net debit to asset revaluation reserve		-	(5,996)
Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity		-	(5,996)
Total changes in equity other than those resulting from transactions with owners as owners		615,242	267,073

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 2003

	Notes	2003 \$	2002 \$
ASSETS			
Financial assets			
Cash	5.1	2,500,017	1,917,346
Receivables	5.2	554,619	987,415
Total financial assets		3,054,636	2,904,761
Non-financial assets			
Infrastructure, plant and equipment	6.1,6.3,6.4	805,257	1,059,664
Intangibles	6.2,6.3	89,599	82,894
Other	6.5	93,328	236,223
Total non-financial assets		988,184	1,378,781
TOTAL ASSETS		4,042,820	4,283,542
LIABILITIES			
Non-interest bearing liabilities			
Lease Incentives	7	782,706	1,565,409
Total non-interest bearing liabilities		782,706	1,565,409
Provisions			
Capital use charge	8.1	-	29,359
Employees	8.2	1,924,573	1,816,147
Total provisions		1,924,573	1,845,506
Payables			
Suppliers	9.1	256,206	372,557
Other	9.2	-	35,977
Total payables		256,206	408,534
TOTAL LIABILITIES		2,963,485	3,819,449
NET ASSETS		1,079,335	464,093
EQUITY			
Contributed equity	10	1,006,000	1,006,000
Reserves	10	49,596	49,596
Accumulated surplus/(deficits)	10	23,739	(591,503)
TOTAL EQUITY		1,079,335	464,093
Current assets		3,147,964	3,140,984
Non-current assets		894,856	1,142,559
Current liabilities		1,994,676	2,130,896
Non-current liabilities		968,809	1,688,553

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

Human Rights and Equal Opportunity Commission
Statement of Cash Flows
for the year ended 30 June 2003

	Notes	2003 \$	2002 \$
OPERATING ACTIVITIES			
Cash received			
Goods and services		3,408,467	4,094,873
Appropriations for outputs		11,137,000	10,730,000
Interest		53,000	91,635
GST received from ATO		427,958	340,657
Total cash received		15,026,425	15,257,165
Cash used			
Employees		7,360,298	7,148,664
Suppliers		6,720,623	8,070,706
Total cash used		14,080,921	15,219,370
Net cash from operating activities	11	945,504	37,795
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		218	432
Total cash received		218	432
Cash used			
Purchase of property, plant and equipment		275,513	282,840
Purchase of intangibles		52,538	12,050
Total cash used		328,051	294,890
Net cash (used by) investing activities		(327,833)	(294,458)
FINANCING ACTIVITIES			
Cash used			
Capital Use charge paid		35,000	63,000
Total cash used		35,000	63,000
Net cash (used by) financing activities		(35,000)	(63,000)
Net increase / (decrease) in cash held		582,671	(319,663)
Cash at the beginning of the reporting period		1,917,346	2,237,009
Cash at the end of the reporting period	5.1	2,500,017	1,917,346

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 2003

	2003 \$	2002 \$
BY TYPE		
Other Commitments		
Operating leases ¹	15,726,306	3,756,268
Other commitments ²	3,454,397	992,706
Total other commitments	19,180,703	4,748,974
Commitments receivable	(5,236,201)	(2,216,794)
Net commitments	13,944,502	2,532,180
BY MATURITY		
Operating Lease Commitments		
One year or less	1,548,911	1,916,334
From one to five years	6,230,280	1,839,934
Over five years	5,368,712	-
Other Net Commitments		
One year or less	(414,261)	(597,705)
From one to five years	959,358	(626,383)
Over five years	251,502	-
Net Commitments by maturity	13,944,502	2,532,180

NB: Commitments are GST inclusive where relevant.

Note	Nature of lease	General description of leasing arrangement
1	Leases for office accommodation	The Commission has signed a heads of agreement document. The agreement allows annual fixed rental increases. There are no options to renew.
1	Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to HREOC.
1	A lease in relation to desktop computer equipment	The lessor provides all desktop computer equipment and software. The contract allows for variations to the duration of the rental and to the equipment rented.
2	Other commitments	Consisting of agreements with other entities for services, outgoings and AEPUs.

Human Rights and Equal Opportunity Commission

Schedule of Contingencies

as at 30 June 2003

Contingent liabilities	-	-
Contingent assets	-	-
Net contingent liabilities	-	-

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or considered remote, are disclosed in Note 12: Contingent Liabilities and Assets.

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 2003

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 (or FMOs, being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

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. However, assets and liabilities arising under agreements equally proportionally unperformed are 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 (other than unquantifiable or remote contingencies, which are reported at Note 12).

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.

1.3 Changes in accounting policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2001-02, except in respect of;

- the accounting for output appropriations (refer to Note 1.4),
- the recognition of equity injections (refer to Note 1.5),
- measurement of certain employee benefits at nominal amounts (refer to Note 1.6);
- the initial revaluation of property, plant and equipment on a fair value basis (refer to Note 1.11);
- A reduction in the asset threshold value from \$2,000 to \$1,500 (refer to Note 1.11); and
- the imposition of an impairment test for non-current assets carried at cost (refer to Note 1.12).

1.4 Revenue

Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

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.

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 (refer to Note 1.10).

Other revenue

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

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

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.

1.5 Transactions with the Government as Owner

Equity injections

From 1 July 2002, the FMOs require that amounts of appropriations designated as 'equity injections' (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in Contributed Equity as at July 1 or later date of effect of the appropriation.

This is a change of accounting policy from 2001-02 to the extent any part of an equity injection that was dependent on specific future events occurring was not recognised until the appropriation was drawn down.

The change in policy has no financial effect in 2002-03.

Capital Use Charge

A Capital Use Charge of 11% (2002: 11%) is imposed by the Government on the departmental net assets of the Commission at year end. The net assets figure is adjusted to take account of asset gifts and revaluation increments during the financial year. The Charge is accounted for as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, the Government has decided that the Charge will not operate after June 2003.

1.6 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at their nominal amounts. Other employee benefits expected to settle within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This is a change in accounting policy from last year required by an initial application of a new Accounting Standard AASB 1028 from 1 July 2002. As the Commission's certified agreement raises pay rates in January each year, the financial effect of this change is not material.

All other employee benefit liabilities are measured as the present value of the estimated cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits 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 leave liabilities are calculated on the basis of employees' remuneration, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

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.

Superannuation

Staff of the Commission are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

The Commission makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Commission's employees.

The liability for superannuation recognised as at 30 June represent outstanding contributions for the percentage of pay 1 in the 2004 financial year that related to duties performed in the 2003 financial year.

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.

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 Cash

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

1.9 Financial instruments

Accounting policies for financial instruments are stated at Note 17.

1.10 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.

1.11 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 \$1,500 (2002: \$2,000), which are expensed in the year of acquisition (other than where they form a part of a group of similar items which are significant in total). In the 2003 financial year the effect of this was an increase in the gross assets of \$14,633.

Revaluations

Basis

Infrastructure, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis. The deprival value of all assets as at 30 June 2002 was deemed to be their fair value at 1 July 2002. The financial effect of the change is given by the difference between the carrying amounts at 30 June 2002 of these assets and their fair value as at 1 July 2002 and thus there is no financial effect arising from the adoption of fair value.

Under both deprival and fair value, assets which are surplus to requirements are measured at their net realisable value. At 30 June 2003, the Commission had no assets in this situation.

Frequency

Infrastructure, plant and equipment are revalued progressively in successive 3-year cycles, so that no asset has a value greater than three years old. All assets were revalued in 2001-02 on a deprival basis.

Conduct

All valuations are conducted by an independent, qualified valuer.

Depreciation and amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting 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 prices only when assets are revalued.

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

	2003	2002
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 4.3.

Recoverable amount test

From 1 July 2002, the Schedule 1 no longer requires the application of the recoverable amount test in Australian Accounting Standard *AAS 10 Recoverable Amount of Non-Current Assets* to the assets of agencies when the primary purpose of the asset is not the generation of net cash inflows.

No property plant and equipment assets have been written down to recoverable amount per AAS 10. Accordingly, the change in policy has had no financial effect.

1.12 Intangibles

The Commission's intangibles comprise internally-developed software and are 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 2002-03.

All software assets were assessed for impairment as at 30 June 2003. None were found to be impaired.

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

Useful lives are:	2003	2002
Internally developed software	2 to 5 years	2 to 5 years

1.13 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.14 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.

1.15 Insurance

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

1.16 Agency and Administered Items

The Commission has no administered items.

Note 2 - 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.

	<u>2003</u>	<u>2002</u>
	\$	\$
Note 3 - Operating revenues		
3.1 <u>Revenues from Government</u>		
Appropriations for outputs	11,137,000	10,730,000
Resources received free of charge	35,000	35,000
<i>Total revenues from government</i>	<u><u>11,172,000</u></u>	<u><u>10,765,000</u></u>
3.2 <u>Goods and Services</u>		
Goods	146,218	14,223
Services	2,732,020	4,067,509
<i>Total sales of goods and services</i>	<u><u>2,878,238</u></u>	<u><u>4,081,732</u></u>
Provision of goods to:		
Related entities	27,259	3,584
External entities	118,959	10,639
<i>Total sales of goods</i>	<u><u>146,218</u></u>	<u><u>14,223</u></u>
Rendering of services to:		
Related entities	1,723,377	2,757,771
External entities	1,008,643	1,309,738
<i>Total rendering of services</i>	<u><u>2,732,020</u></u>	<u><u>4,067,509</u></u>
Cost of goods sold	<u><u>146,218</u></u>	<u><u>14,223</u></u>
3.3 <u>Interest revenue</u>		
Interest on deposits	<u><u>41,613</u></u>	<u><u>98,561</u></u>

	2003 \$	2002 \$
3.4 <u>Net gains from sale of assets</u>		
Infrastructure, plant and equipment:		
Proceeds from disposal	218	432
Net book value of assets disposed	<u>(5,660)</u>	<u>(7,556)</u>
<i>Net loss from disposal of infrastructure, plant and equipment</i>	<u>(5,442)</u>	<u>(7,124)</u>
TOTAL proceeds from disposals	218	432
TOTAL value of assets disposed	<u>(5,660)</u>	<u>(7,556)</u>
<i>TOTAL net loss from disposal of assets</i>	<u><u>(5,442)</u></u>	<u><u>(7,124)</u></u>

Note 4 - Operating expenses

4.1 <u>Employee expenses</u>		
Wages and Salary	6,340,570	6,153,959
Superannuation	833,717	828,673
Leave and other benefits	250,178	349,660
Other employee expenses	61,917	131,813
<i>Total employee benefits expense</i>	<u>7,486,380</u>	<u>7,464,103</u>
Workers compensation premiums	32,254	21,272
<i>Total employee expenses</i>	<u><u>7,518,635</u></u>	<u><u>7,485,375</u></u>
4.2 <u>Supplier expenses</u>		
Goods from related entities	75,794	27,965
Goods from external entities	411,659	293,894
Services from related entities	436,009	412,675
Services from external entities	3,213,235	4,080,571
Operating lease rentals*	1,245,742	1,085,033
<i>Total supplier expenses</i>	<u><u>5,382,439</u></u>	<u><u>5,900,138</u></u>
* These comprise minimum lease payments only		
4.3 <u>Depreciation and amortisation</u>		
<i>Depreciation</i>		
Other infrastructure, plant and equipment	524,261	722,830
<i>Total Depreciation</i>	<u>524,261</u>	<u>722,830</u>
<i>Amortisation</i>		
Intangibles - Computer Software	45,832	42,410
<i>Total depreciation and amortisation</i>	<u><u>570,093</u></u>	<u><u>765,240</u></u>

	2003	2002
	\$	\$
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable assets are as follows:		
Leasehold improvements	316,712	-
Plant and equipment	207,549	722,830
Intangibles	45,832	42,410
Total depreciation and amortisation	570,093	765,240

No depreciation or amortisation was allocated to the carrying amounts of other assets.

4.4 Write down of assets

Financial assets

Bad and doubtful debts expense	-	16,966
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Non-financial assets

Plant and equipment - revaluation decrement	-	478,058
Plant and equipment - write off	-	19,324
Total write-down of assets	-	514,348

Note 5 - Financial assets

5.1 Cash

Cash on hand:

Departmental (other than special accounts)	2,500,017	1,917,346
Total cash	2,500,017	1,917,346

5.2 Receivables

Goods and services	504,885	879,385
GST receivable from the Australian Taxation Office	49,734	96,643
Interest receivable	-	11,387
Total receivables (net)	554,619	987,415

All receivables are current assets

Receivables (gross) are aged as follows:

Not overdue	537,223	771,685
Overdue by:		
Less than 30 days	4,004	61,124
30 days to 60 days	-	154,606
60 to 90 days	-	-
more than 90 days	13,392	-
Total receivables (gross)	554,619	987,415

	2003 \$	2002 \$
Note 6 - Non-financial assets		
6.1		
<u>Infrastructure, Plant and equipment</u>		
<i>Plant and equipment</i>		
- at cost	245,526	-
- Accumulated depreciation	(23,599)	-
	<u>221,927</u>	<u>-</u>
- at valuation	824,139	833,607
- Accumulated depreciation	(559,074)	(378,932)
	<u>265,065</u>	<u>454,675</u>
<i>Total plant and equipment</i>	<u><u>486,992</u></u>	<u><u>454,675</u></u>
<i>Leasehold improvements</i>		
- at cost	29,988	-
- Accumulated depreciation	(1,694)	-
	<u>28,294</u>	<u>-</u>
- at valuation	3,149,999	3,149,999
- Accumulated amortisation	(2,860,028)	(2,545,010)
	<u>289,971</u>	<u>604,989</u>
<i>Total leasehold improvements</i>	<u><u>318,265</u></u>	<u><u>604,989</u></u>
<i>Total Infrastructure, Plant and equipment</i>	<u><u>805,257</u></u>	<u><u>1,059,664</u></u>
6.2		
<u>Intangibles</u>		
Computer software:		
Internally developed - in use	409,782	357,244
Accumulated amortisation	(320,183)	(274,350)
<i>Total intangibles</i>	<u><u>89,599</u></u>	<u><u>82,894</u></u>

6.3 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
	\$	\$	\$
As at 1 July 2002			
Gross book value	3,983,605	357,244	4,340,849
Accumulated Depreciation/Amortisation	(2,923,941)	(274,350)	(3,198,291)
Net book value	1,059,664	82,894	1,142,558
Additions			
by purchase	275,514	52,538	328,051
Net revaluation increment/(decrement)			
Depreciation/amortisation expense	(524,261)	(45,833)	(570,093)
Recoverable amount write-downs			
Disposals			
From disposal of operations			
Other disposals	(5,660)	-	(5,660)
As at 30 June 2003			
Gross book value	4,253,459	409,782	4,663,241
Accumulated Depreciation/Amortisation	(3,448,202)	(320,183)	(3,768,385)
Net book value	805,257	89,599	894,856

6.4 Analysis of Infrastructure, Plant, Equipment and Intangibles

TABLE B: Assets at valuation

Item	Infrastructure, Plant & Equipment	Total
	\$	\$
As at 30 June 2003		
Gross Value	3,974,139	3,974,139
Accumulated Depreciation/Amortisation	(3,419,102)	(3,419,102)
Net book value	555,037	555,037
As at 30 June 2002		
Gross Value	3,983,605	3,983,605
Accumulated Depreciation/Amortisation	(2,923,942)	(2,923,942)
Net book value	1,059,663	1,059,663

	2003	2002
	\$	\$
6.5 <u>Other non-financial assets</u>		
Prepayments		
Rent	-	93,440
Other	93,328	142,783
Total other non-financial assets	93,328	236,223

All other non-financial assets are current assets

	2003 \$	2002 \$
Note 7 - Non-interest bearing liabilities		
Lease incentives	782,706	1,565,409
Other non-interest bearing liabilities are represented by:		
Current	782,706	782,704
Non-current	-	782,705
Note 8 - Provisions		
8.1 <u>Capital use charge provision</u>		
Capital use charge provision	-	29,359
Balance owing 1 July	29,359	35,000
Capital use charge provided for during the period	5,641	57,359
Capital use charge paid	(35,000)	(63,000)
Balance owing 30 June	-	29,359
8.2 <u>Employee provisions</u>		
Salaries and wages	186,024	196,149
Leave	1,705,136	1,586,909
Superannuation	33,413	33,089
Aggregate employee benefit liability	1,924,573	1,816,147
Current	955,764	910,299
Non-current	968,809	905,848
Note 9 - Payables		
9.1 <u>Supplier payables</u>		
Trade creditors	256,206	372,557
Operating lease rentals	-	-
Total supplier payables	256,206	372,557
Supplier payables are represented by;		
Current	256,206	372,557
Non-current	-	-
9.2 <u>Other payables</u>		
Unearned Revenue	-	35,977
Total other payables	-	35,977

Note 10 - Equity

Item	Accumulated Results		Asset revaluation reserve		Contributed Equity		TOTAL EQUITY	
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
Opening Balance as at 1 July	(591,503)	(807,213)	49,596	55,592	1,006,000	1,006,000	464,093	254,379
Net surplus	615,242	273,069	-	-	-	-	615,242	273,069
Net revaluation decrement	-	-	-	(5,996)	-	-	-	(5,996)
Decrease in retained surpluses on application of transitional provisions in accounting standard AASB 1041 <i>Revaluation of Non-current Assets</i>	-	-	-	-	-	-	-	-
Transactions with owner:								
Distributions to owner:								
Return on Capital								
Capital Use Charge	-	(57,359)	-	-	-	-	-	(57,359)
Contributions by owner:								
Restructuring								
Restructuring transfers	-	-	-	-	-	-	-	-
Closing Balance as at 30 June	23,739	(591,503)	49,596	49,596	1,006,000	1,006,000	1,079,335	464,093
<i>Total equity attributable to the Commonwealth</i>	23,739	(591,503)	49,596	49,596	1,006,000	1,006,000	1,079,335	464,093

2003

\$

2002

\$

Note 11 - 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	2,500,017	1,917,346
Statement of Financial Position items comprising above cash: 'Financial Asset -Cash'	2,500,017	1,917,346

Reconciliation of net surplus to net cash from operating activities:

Net surplus (deficit)	615,242	273,069
Depreciation and Amortisation	570,093	765,240
Net write-down of non-financial assets	-	497,382
Loss on disposal of assets	5,441	7,124
Capital Use Charge	5,641	-
(Increase)/Decrease in net receivables	436,468	(513,780)
(Increase)/Decrease in prepayments	142,897	30,355
Increase/(Decrease) in employee provision	108,426	409,654
Increase/(Decrease) in supplier payables	(120,022)	13,948
Increase/(Decrease) in Other payables	(35,977)	(696,548)
Increase/(Decrease) in Non Int. Bearing Liabilities	(782,705)	(748,648)
Net cash from operating activities	945,504	37,795

Note 12 - Contingent liabilities and assets

Unquantifiable contingencies

As at 30 June 2003, the Commission (or officers of the Commission) were named as the respondent in fourteen applications before the High Court, the Federal Court and Administrative Appeals Tribunal. 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.

There are two intervention matters before the courts. It is unlikely that a costs order will be made against the Commission.

Note 13 - Executive remuneration

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

	2003 Number	2002 Number
\$180,000-\$189,999	-	1
\$190,000-\$199,999	-	2
\$200,000-\$209,999	1	1
\$210,000-\$219,999	1	1
\$220,000-\$229,999	1	-
\$230,000-\$239,999	1	-
\$250,000-\$259,999	1	-
\$300,000-\$309,999	-	1
The aggregate amount of total remuneration of executives shown above:	\$ 1,132,041	\$ 1,111,384
	2003 \$	2002 \$

Note 14 - Remuneration of auditors

Financial statement audit services are provided free of charge to the Commission

The fair value of the services provided was:	35,000	35,000
<i>Other services</i>		
Amount paid in relation to a special purpose audit	3,500	-
Total	38,500	35,000

Note 15 - Average staffing levels

The average staffing levels for the Commission during the year were:

2003 Number	2002 Number
<u>95</u>	<u>95</u>
2003 \$	2002 \$

Note 16 - Act of Grace Payments, Waivers and Defective Administration Scheme

No 'Act of Grace' payment was made during the reporting period.

No payments were made under the 'Defective Administration Scheme' during the reporting period.

-	-
<u>-</u>	<u>-</u>

There was one waiver of an amount owing to the Commonwealth made in 2002/03 pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997.

<u>59,958</u>	<u>-</u>
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Note 17 - Financial instruments

17.1 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	5.1	Cash is recognised at its nominal amount. Interest on cash at bank is credited to revenue as it accrues	The Agency Banking Incentive Scheme was terminated in 2002. FMA agencies are no longer able to earn interest on deposits.
Receivables for goods and services	5.2	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 rather than more likely.	All receivables are with entities external to the Commonwealth. Credit terms are net 30 days (2002: 30 days)
Interest receivable	5.2	Interest is accrued as it is earned	
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	7	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	9.1	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)	All creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

17.2 Interest rate risk

Financial instrument	Notes	Floating interest rate		Fixed interest rate		Non-interest bearing		Total		Weighted average effective interest rate	
		2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
		\$	\$	\$	\$	\$	\$	\$	\$		
Financial Assets											
Cash at bank	5.1	-	1,917,346	-	-	2,500,017	-	2,500,017	1,917,346	2.0%	4.5%
Receivables for goods and services (gross)	5.2	-	-	-	-	504,885	879,385	504,885	879,385	n/a	n/a
Interest receivable	5.2	-	-	-	-	-	11,387	-	11,387	n/a	n/a
Total		-	1,917,346	-	-	3,004,902	890,772	3,004,902	2,808,118		
Total Assets								4,042,820	4,283,542		
Financial Liabilities											
Lease incentives	7	-	-	-	-	782,706	1,565,409	782,706	1,565,409	n/a	n/a
Trade creditors	9.1	-	-	-	-	256,206	372,557	256,206	372,557	n/a	n/a
Total		-	-	-	-	1,038,912	1,937,966	1,038,912	1,937,966		
Total Liabilities								2,963,485	3,819,449		

17.3 Net fair values of financial assets and liabilities

	Notes	2003		2002	
		Total Carrying amount	Aggregate Net Fair value	Total Carrying amount	Aggregate Net Fair value
		\$	\$	\$	\$
Agency Financial Assets					
Cash at bank	5.1	2,500,017	2,500,017	1,917,346	1,917,346
Receivables for goods and services (net)	5.2	504,885	504,885	879,385	879,385
Interest receivable	5.2	-	-	11,387	11,387
Total Financial Assets		3,004,901	3,004,901	2,808,118	2,808,118
Financial Liabilities (Recognised)					
Lease incentives	7	782,706	782,706	1,565,409	1,565,409
Capital Use Charge Payable	8.1			29,359	29,359
Trade Creditors	9.1	256,206	256,206	372,557	372,557
Total Financial Liabilities (Recognised)		1,038,912	1,038,912	1,967,325	1,967,325

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

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

17.4 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 18 - Appropriations

Cash basis acquittal of appropriations from Acts 1 and 3

Particulars	Departmental Output
Year ended 30 June 2003	\$
Balance carried from previous year	1,917,346
Appropriations for reporting period (Act 1)	11,137,000
Appropriations for reporting period (Act 3)	-
Adjustments by the Finance Minister	-
Amounts from Advance to the Finance Minister	-
Refunds credited (FMA s 30)	-
GST Credits (FMA s 30A)	427,958
Annotations to 'net appropriations' (FMA s 31)	3,461,467
Transfers to/from other agencies (FMA s 32)	-
Administered appropriation lapsed	-
Available for payments	16,943,771
Payments made	14,443,754
Appropriations credited to Special Accounts	-
Balance carried to next year	2,500,017
<i>Represented by:</i>	
Cash	2,500,017
Add: Appropriations receivable	-
Add: Receivables - Goods and Services - GST receivable from customers	-
Add: Return of contributed equity	-
Less: Other payables - Net GST payable to the ATO	-
Less: Payable - Suppliers - GST portion	-
Add: Savings in Portfolio Additional Estimates Statement	-
Total	2,500,017

Particulars	Departmental Output
Year ended 30 June 2002	\$
Balance carried from previous year	2,237,009
Total annual appropriation	15,257,597
Available for payments	17,494,606
Payments made	15,577,260
Appropriations credited to Special Accounts	-
Balance carried to next year	1,917,346
<i>Represented by:</i>	
Cash	1,917,346
Add: Appropriations receivable	-
Add: Receivables - Goods and Services - GST receivable from customers	-
Add: Investment in term deposit	-
Add: Receivables - Net GST receivable from the ATO	-
Less: Payable - Suppliers - GST portion	-
Total	1,917,346

Note 19 - Reporting of outcomes**2003****2002****\$****\$**

The Commission has one outcome:
"An Australian society in which the human rights of all are respected, protected and promoted".

19.1 Net cost of outcome delivery

Total departmental expenses	13,476,827	14,672,654
Total departmental costs recovered from the non-government sector	1,127,602	1,320,377
<i>Other departmental external revenues</i>		
Interest	41,613	98,561
Goods and services from related entities	1,750,636	2,761,355
Total Other departmental external revenues	1,792,249	2,859,916
Net cost of outcome	10,556,976	10,492,362

19.2 Major classes of departmental revenues and expenses by output groups and outputs

The Commission has one output (1.1):
"Australians have access to independent human rights complaint handling and public enquiries processes and benefit from human rights education, promotion and monitoring, and compliance activities."

Departmental expenses

Employees	7,518,635	7,485,375
Suppliers	5,382,439	5,900,137
Depreciation and amortisation	570,093	765,240
Other expenses	5,660	521,904
Total Departmental expenses	13,476,827	14,672,654

Funded by:

Revenues from government	11,172,000	10,765,000
Sales of goods and services	2,878,238	4,081,732
Other non-taxation revenues	41,831	98,993
Total Departmental revenues	14,092,069	14,945,725