

APPENDIX 8

Financial Statements

The following pages provide the financial statements for the Department of Education, Science and Training for 2002–03. They have been submitted to the Auditor-General for scrutiny as required by section 57 of the *Financial Management and Accountability Act 1997*.

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INDEPENDENT AUDIT REPORT

To the Minister for Education, Science and Training

Scope

I have audited the financial statements of the Department of Education, Science and Training for the year ended 30 June 2003. The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

The Department of Education, Science and Training's Chief Executive 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 of Education, Science and Training'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 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 Education, Science and Training as at 30 June 2003, and its financial performance and cash flows for the year then ended.

Other Statutory Matters

The Department of Education, Science and Training has breached section 48 of the *Financial Management and Accountability Act 1997* as detailed in Note 28 of the financial statements.

Australian National Audit Office



Mashelle Parrett
Executive Director

Delegate of the Auditor-General

Canberra

12 September 2003

Statement by the Chief Executive and Chief Finance Officer

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*.



J Harmer
Chief Executive

12. September 2003



C Storen
Chief Finance Officer

12. September 2003

Department of Education, Science and Training
Statement of Financial Performance
for the year ended 30 June 2003

	Note	2002-03 \$'000	2001-02 \$'000
REVENUE			
Revenues from ordinary activities			
Revenues from government	3(a)	230 189	212 316
Goods and services	3(b)	6 732	5 630
Interest	3(c)	1 240	2 239
Revenue from sale of assets	3(d)	508	276
Other	3(e)	11 354	11 464
<i>Revenues from ordinary activities</i>		250 023	231 925
EXPENSE			
Expenses from ordinary activities			
Employees	4(a)	105 625	94 786
Suppliers	4(b)	131 793	120 905
Depreciation and amortisation	4(c)	12 073	11 922
Write-down of assets	4(d)	2 479	2 877
Value of assets sold	3(d)	106	253
Net foreign exchange losses		-	1
<i>Expenses from ordinary activities</i>		252 076	230 744
Net operating surplus/(deficit) from ordinary activities		(2 053)	1 181
Net surplus/(deficit)		(2 053)	1 181
Total changes in equity other than those resulting from transactions with owners as owners		(2 053)	1 181

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

Department of Education, Science and Training
Statement of Financial Position
as at 30 June 2003

	Note	2002-03 \$'000	2001-02 \$'000
ASSETS			
Financial assets			
Cash	5(a)	12 450	35 691
Receivables	5(b)	29 706	5 034
Accrued revenues	5(c)	-	27
Capital use charge		-	92
<i>Total financial assets</i>		42 156	40 844
Non-financial assets			
Land and buildings	6(a)	5 608	3 437
Infrastructure, plant and equipment	6(b)	10 520	9 037
Intangibles	6(c)	17 249	21 731
Other	6(d)	1 947	1 932
<i>Total non-financial assets</i>		35 324	36 137
Total assets		77 480	76 981
LIABILITIES			
Interest bearing liabilities			
Leases	7(a)	22	109
<i>Total interest bearing liabilities</i>		22	109
Provisions			
Employees	8(a)	38 604	35 072
<i>Total provisions</i>		38 604	35 072
Payables			
Suppliers	9(a)	11 326	8 465
Other		203	285
<i>Total payables</i>		11 529	8 750
Other			
Unearned Income		427	656
<i>Total Other</i>		427	656
Total liabilities		50 582	44 587
EQUITY			
Contributed Equity	10(a)	13 987	13 987
Reserves	10(a)	5 189	5 189
Retained surpluses	10(a)	7 722	13 218
Total equity		26 898	32 394
Current liabilities		26 368	21 344
Non-current liabilities		24 214	23 243
Current assets		44 103	42 773
Non-current assets		33 377	34 208

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

Department of Education, Science and Training
Statement of Cash Flows
for the year ended 30 June 2003

	Note	2002-03 \$'000	2001-02 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		218 802	196 311
Goods and services		8 298	5 555
Interest		1 267	2 232
Other cash received		11 188	11 573
GST received from ATO		8 796	6 452
<i>Total cash received</i>		248 351	222 123
Cash used			
Employees		102 093	94 536
Suppliers		117 800	102 890
Cash transferred to OPA	16	27 500	-
GST paid to suppliers		7 606	7 914
<i>Total cash used</i>		254 999	205 340
Net cash from/(used by) operating activities	11	(6 648)	16 783
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of land and buildings		499	278
Proceeds from sales of other infrastructure, plant and equipment		9	-
<i>Total cash received</i>		508	278
Cash used			
Purchase of land and buildings		3 513	3
Purchase of other infrastructure, plant and equipment		5 636	6 507
Purchase/development of intangibles		4 602	6 136
<i>Total cash used</i>		13 751	12 646
Net cash (used by) investing activities		(13 243)	(12 368)
FINANCING ACTIVITIES			
Cash received			
Other cash received		-	446
<i>Total cash received</i>		-	446
Cash used			
Capital use charge paid		3 350	3 760
<i>Total cash used</i>		3 350	9 904
Net cash (used by) financing activities		(3 350)	(9 458)
<i>Net increase/(decrease) in cash held</i>		(23 241)	(5 043)
Cash at the beginning of the reporting period		35 691	40 734
<i>Cash at the end of the reporting period</i>		12 450	35 691

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

Department of Education, Science and Training Schedule of Commitments

as at 30 June 2003

	2002-03 \$'000	2001-02 \$'000
BY TYPE		
Non-capital commitments		
Operating leases ¹	100 743	112 877
Research & development	2 181	3 267
Goods and services ²	25 315	24 293
Total non-capital commitments	128 239	140 437
Commitments receivable		
Sublease	(560)	(170)
Other	(11 181)	(11 393)
Net commitments	116 498	128 874
BY MATURITY		
Operating lease commitments		
One year or less	15 589	19 324
From one to five years	52 582	53 901
Over five years	23 981	30 507
Research & development		
One year or less	931	2 328
From one to five years	1 052	662
Over five years	-	-
Good and services		
One year or less	14 187	15 553
From one to five years	8 176	6 599
Over five years	-	-
Net commitments by maturity	116 498	128 874

NB. All commitments are GST inclusive where relevant.

¹ Operating leases included are non-cancellable and include:

- leases for office accommodation; and
- agreements for the provision of motor vehicles to senior executive officers.

² Goods and services contracts include amounts relating to consultancies and the provision of information technology products and services.

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

Department of Education, Science and Training
Schedule of Contingencies

as at 30 June 2003

	2002-03	2001-02
	\$'000	\$'000
Contingent liabilities		
Indemnities	10 000	-
Claims for damages/costs ¹	361	787
<i>Total contingent liabilities</i>	10 361	787
Contingent assets		
Claims for damages/costs ²	(693)	(825)
<i>Total contingent assets</i>	(693)	(825)
Net contingent liabilities	9 668	(38)

¹ The amount represents an estimate of the Agency's liability based on precedent cases. The Agency is defending the claims.

² The Agency is expecting to succeed in claims against suppliers, although the cases are continuing. The estimate is based on precedent in such cases.

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

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

Department of Education, Science and Training
Schedule of Administered Items

	Note	2002-03 \$'000	2001-02 \$'000
Revenues Administered on Behalf of Government			
<i>for the year ended 30 June 2003</i>			
Non-Taxation (Revenues From Government)			
Interest	17(a)	84	7
Good and Services	17(b)	62	46
Other revenues	17(c)	292 545	303 381
		292 691	303 434
Total Revenues Administered on Behalf of Government		292 691	303 434
Expenses Administered on Behalf of Government			
<i>for the year ended 30 June 2003</i>			
Grants	18(a)	11 839 221	11 195 287
Subsidies	18(b)	454 573	385 135
Personal Benefits	18(c)	316 797	280 417
Suppliers	18(d)	259 788	256 343
Write-down and impairment of assets	18(e)	485 232	347 952
Interest	18(f)	9 230	9 201
		13 364 841	12 474 335
Total Expenses Administered on Behalf of Government		13 364 841	12 474 335

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

Department of Education, Science and Training
Schedule of Administered Items (cont.)

	Note	2002-03 \$'000	2001-02 \$'000
Assets Administered on Behalf of Government			
<i>as at 30 June 2003</i>			
Financial assets			
Cash	19(a)	8 503	7 801
Receivables	19(b)	7 532 095	6 624 391
Investments	19(c)	2 049 836	1 942 241
<i>Total financial assets</i>		9 590 434	8 574 433
Non-financial assets			
Land and buildings	19(d)	104	104
Infrastructure, plant and equipment	19(e)	174	174
Other non-financial assets	19(f)	109	9
<i>Total Non-financial assets</i>		387	287
Total Assets Administered on Behalf of Government		9 590 821	8 574 720
Liabilities Administered on Behalf of Government			
<i>as at 30 June 2003</i>			
Interest bearing liabilities			
Loans	20(a)	146 638	162 872
<i>Total interest bearing liabilities</i>		146 638	162 872
Payables			
Suppliers	20(b)	16 309	19 899
Grants	20(c)	5 950 087	5 903 354
Personal Benefits	20(d)	51 828	45 158
Subsidies	20(e)	8 093	4 832
Interest payable	20(f)	731	932
<i>Total payables</i>		6 027 048	5 974 175
Provisions			
Provision for Grants	20(g)	2 600 000	-
Total provisions		2 600 000	-
Total Liabilities Administered on Behalf of Government		8 773 686	6 137 047
Net Assets Administered on Behalf of Government		817 135	2 437 673
Current liabilities		8 505 789	5 974 175
Non-current liabilities		267 897	162 872
Current assets		1 049 698	837 257
Non-current assets		8 541 123	7 737 463

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

Department of Education, Science and Training
Schedule of Administered Items (cont.)

	Note	2002-03 \$'000	2001-2002 \$'000
Administered Cash Flows			
<i>for the year ended 30 June 2003</i>			
OPERATING ACTIVITIES			
Cash received			
Cash from the Official Public Account			
Appropriations		12 847 737	12 439 219
Special Accounts		1 749 351	1 558 131
Other — GST received from ATO		477 084	431 894
Interest		84	7
Other cash received		805 960	760 223
<i>Total cash received</i>		15 880 216	15 189 474
Cash used			
Subsidies		451 312	386 009
Personal benefits		290 773	294 756
Suppliers		263 478	300 354
Grants		13 524 990	12 968 907
Interest		9 431	8 952
Cash to Official Public Account			
Appropriations		477 084	431 894
Special accounts		748 587	723 623
Other		73 974	36 084
<i>Total cash used</i>		15 839 629	15 150 579
Net cash from operating activities		40 587	38 895
FINANCING ACTIVITIES			
Cash used			
Loan repayments		39 885	33 481
<i>Total cash used</i>		39 885	33 481
Net cash from/(used by) financing activities		(39 885)	(33 481)
Net increase/(decrease) in cash held		702	5 414
Cash at beginning of reporting period		7 801	2 387
Cash at end of reporting period		8 503	7 801

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

Department of Education, Science and Training
Schedule of Administered Items (cont.)

	2002-03 \$'000	2001-02 \$'000
Administered Commitments		
<i>as at 30 June 2003</i>		
BY TYPE		
Capital commitments		
Other capital	704	-
Other Commitments		
Research & development	8 363	9 110
Goods and services ¹	1 175 317	1 096 616
Legislative obligations ²	12 521 203	17 756 554
Other commitments ³	-	1 900 000
Total other commitments	13 705 587	20 762 280
Commitments receivable		
Other	(495 552)	(776 355)
Net administered commitments	13 210 035	19 985 925
BY MATURITY		
All net commitments		
One year or less	9 484 524	8 990 221
From one to five years	3 725 511	9 095 704
Over five years	-	1 900 000
Net administered commitments	13 210 035	19 985 925
<i>NB. All commitments are GST inclusive where relevant.</i>		
¹ Goods and services contracts include amounts relating to consultancies and the provision of information technology products and services.		
² Legislative obligations relate to amounts specified in legislation where a funding determination has not yet been made, comprising the Higher Education Funding Act; Vocational Education & Training Funding Act; Anglo Australian Telescope Agreement Act; Grants in Aid; and state grants to educational institutions.		
³ Other commitments comprise the unfunded superannuation liability estimate provided by the Australian Government Actuary (Note 26 refers).		
Administered Contingencies		
<i>as at 30 June 2003</i>		
Administered contingent liabilities		
Other guarantees ⁴	350	525
Total contingent liabilities	350	525
Net Administered Contingent Liabilities	350	525
⁴ Guarantees given in relation to the Commonwealth Loans Guarantee Program.		
Details of each class of contingent liabilities and assets are disclosed in Note 23: Administered Contingent Liabilities and Assets.		

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

Department of Education, Science and Training
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2003

Note	Description
1.	Summary of Significant Accounting Policies
2.	Events Occurring after Balance Date
3.	Revenues
4.	Expenses
5.	Financial Assets
6.	Non-financial Assets
7.	Interest Bearing Liabilities
8.	Provisions
9.	Payables
10.	Equity
11.	Cash Flow Reconciliation
12.	Contingent Liabilities & Assets
13.	Executive Remuneration
14.	Remuneration of Auditors
15.	Average Staffing Levels
16.	Financial Instruments
17.	Revenues Administered on Behalf of Government
18.	Expenses Administered on Behalf of Government
19.	Assets Administered on Behalf of Government
20.	Liabilities Administered on Behalf of Government
21.	Administered Restructuring
22.	Administered Reconciliation Table
23.	Administered Contingent Liabilities and Assets
24.	Act of Grace Payments, Waivers and Defective Administration Scheme
25.	Administered Financial Instruments
26.	Unfunded Superannuation Provision for Australian Universities
27.	Appropriations
28.	Special Accounts
29.	Reporting of Outcomes and Outputs

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Agency

The Agency's role is to support the Government's efforts to respond in an integrated and balanced way to the education, training and science needs of Australia and all Australians. It deals with the following principal matters: education, other than migrant adult education; science policy; promotion of collaborative research in science and technology; training, including New Apprenticeships and training services; co-ordination of research policy; research grants and fellowships. It improves access to education and training of disadvantaged groups including Indigenous Australians.

The Agency is structured to meet three outcomes:

- Outcome 1: Individuals achieve high quality foundation skills and learning outcomes from schools and other providers.
- Outcome 2: Individuals achieve relevant skills and learning outcomes from post school education and training.
- Outcome 3: Australia has a strong science, research and innovation capacity and is engaged internationally on science, education and training to advance our social development and economic growth.

Agency activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Agency in its own right. Administered

activities involve the management or oversight by the Agency on behalf of the Government of items controlled or incurred by the Government.

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 FMO's), 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 Australian Accounting Standards Board;
- ▶ other authoritative pronouncements of the 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 the 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 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 proportionately 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 Agency in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Agency's administration and programs.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 1.17.

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:

- ▶ recognition of equity injections (refer to Note 1.5);
- ▶ measurement of certain employee benefits at nominal amounts (refer to Note 1.6);
- ▶ the imposition of an impairment test for non-current assets carried at cost (refer to Note 1.11);
- ▶ recognition of Unfunded Superannuation for Australian Universities (refer to Note 26); and
- ▶ receivables in relation to the Higher Education Contribution Scheme and Student Supplement Loan Scheme which have previously been disclosed as

current assets have now been separated into current and non-current assets (refer to Note 19(b) and Note 25(a)).

1.4 Revenues

The revenues described in this Note are revenues relating to the core operating activities of the Agency.

(a) Revenues from Government – Agency Appropriation

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised as revenue.

(b) Resources Received Free of Charge

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

Contributions of assets at no cost of acquisition or for nominal considerations 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 1.5)

(c) Sale of Goods and Services

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

(d) Interest

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

(e) Sale of Assets

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

(f) Other Revenue

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

1.5 Transactions with the Government as Owner

(a) 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 1 July 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 because the department did not have any equity injections in 2001–02 or 2002–03.

(b) Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against equity.

(c) Capital Use Charge

A capital use charge of 11 per cent (2001–02: 11 per cent) is imposed by the Government on the departmental net assets of the Agency 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 30 June 2003.

(d) Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

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), annual leave, sick leave are measured at their nominal amounts. Other employee benefits expected to be settled 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 for 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. This change in policy did not have any impact for the department.

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

(a) Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years

by employees of the Agency 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 Agency's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

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 2003. The calculation is based on an actuary assessment performed in May 2002.

(b) Separation and redundancy

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

(c) Superannuation

Staff of the Agency contribute to the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme and AGEST. The liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

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 substantially all such risks and benefits. The Agency only has operating leases.

Operating lease payments are expensed on a basis which is representative of the pattern of

benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

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.

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 Notes 16 and 25.

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 administrative 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 the restructuring.

1.11 Property (Land, Buildings and Infrastructure), Plant and Equipment, and Intangibles

(a) 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 \$2000 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).

(b) Intangibles

Intangibles comprise internally developed computer software which is initially recognised at cost. The Agency has chosen to deem its intangibles to be at cost with effect from 30 June 2001 in accordance with the transitional provisions in AAS38.

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS10 *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.

However Schedule 1 now requires such assets, if carried on the cost basis, to be assessed for indications of impairment. The carrying amount of impaired assets must be written down to the higher of its net market selling price or depreciated replacement cost.

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

(c) Revaluations

The Department's land, buildings, plant and equipment are revalued every three years. The last revaluation of land, buildings, plant and equipment was performed in accordance with the "deprival" method of valuation at 30 June 2001. Assets in each class acquired after

the commencement of the revaluation exercise are not captured by the revaluation and hence, these assets are recorded at their historical cost.

In accordance with the deprival methodology, land and buildings are measured at current market buying price. Infrastructure, plant and equipment are measured at their depreciated replacement cost. Where assets are held which would not be replaced or are surplus to requirements, measurement is at net realisable value. At 30 June 2003 the Agency had no assets in this situation.

The department will revalue all its assets in June 2004 in accordance with the requirements of AASB 1041.

All valuations are conducted by an independent qualified valuer.

(d) Recoverable amount test

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS10 *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 assets have been written down to recoverable amount per AAS10. Accordingly, the change in policy has had no financial effect.

(e) Depreciation and Amortisation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Agency using, in all cases, the straight line method of depreciation.

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 prices only when assets are revalued.

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

	2002-03	2001-02
Buildings	40 years	40 years
Plant, Machinery and Equipment, Furniture and Fittings	10 years	10 years
Office Equipment and Leasehold Improvements	5 years	5 years
Computer Equipment (acquired prior to 1 July 2002)	3 years	3 years
Computer Equipment (acquired after 30 June 2002)	4 years	4 years
Intangibles	2-5 years	2-5 years

The aggregate amount of depreciation and amortisation allocated for each class of asset during the reporting period is disclosed in Note 4(c).

1.12 Taxation

The Agency is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

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.

1.13 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.

1.14 Insurance

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

1.15 Comparative Figures

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

1.16 Rounding

Amounts have been rounded to the nearest \$1000 except in relation to the following:

- ▶ act of grace payments and waivers;
- ▶ remuneration of executives; and
- ▶ remuneration of auditors.

1.17 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Agency items, including the application to the greatest extent possible of Accounting Standards, Accounting Interpretations and UIG Consensus Views.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues or assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions or balances are internal to the Administered entity.

These transfers of cash are reported as administered (operating) cash flows in the administered reconciliation table in Note 22.

Accounting policies which are relevant to the administered activities of the Agency are disclosed below.

(a) Revenue

All administered revenues are revenues relating to the core operating activities performed by the Agency on behalf of the Commonwealth.

Administered indexation revenue on loans under the Higher Education Contribution Scheme and the Student Loan Supplement Scheme is recognised on 1 June each year based on the movement in the CPI over the previous 12 months.

(b) Grants

The Agency administers a number of grant schemes on behalf of the Government.

Grants are recognised as liabilities and expenses in the year in which grant agreements are made. The amounts recognised are the full amounts subject to the agreement, except in cases where further funding is not provided until specific milestones have been met. The majority of the Agency's grants do not have milestones and so the full amount in the agreement is recognised in most cases. The Agency also recognises multi-year grant agreements with certain external parties for periods of up to 3 years.

(c) 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 controlled authorities and companies in the portfolio is valued at the aggregate of

the Commonwealth's share of the net assets or net liabilities of each entity fixed as at 30 June 1997, as adjusted for any subsequent capital injections or withdrawals. For those entities with a 31 December reporting date, the Commonwealth's investment is based on the net assets or net liabilities of each entity as at 31 December 1996.

1.18 Higher Education Contribution Scheme (HECS)

Under HECS, students are required to contribute to the cost of their courses. Eligible students may elect to make up front payments directly to the institution, in which case they pay 75 per cent of the HECS charge while the Commonwealth pays the balance to the institution.

Students may also elect to defer their HECS payment until their income reaches a minimum repayment threshold (\$24 365 in 2002–03). In this case, they take out a loan with the Commonwealth for the amount deferred. The money is forwarded to the institution on their behalf, and the student's resulting debt is reflected in the Schedule of Administered Items.

The Australian Taxation Office (ATO) collects repayments of the HECS debts through the PAYG income tax system.

The Agency includes information collected by the ATO with respect to the total accumulated HECS debt in its financial statements. The information included in the financial statements is based on information supplied by the ATO in certified form.

1.19 Provision for Doubtful Debts for HECS

The 2002–03 provision for doubtful debts has been derived using the same basis as the provision for 2001–02 that was determined by an actuarial assessment.

1.20 Provision for Doubtful Debts for ABSTUDY SFSS Loans

An actuarial assessment was undertaken in 2001–02 resulting in a percentage rate of 84 per cent to be used for deriving the provision for doubtful debts for ABSTUDY SFSS. This percentage rate will be used to calculate the 2002–03 provision for doubtful debts.

1.21 Voluntary Disclosure

Income support payments of \$235 million (of which \$224 million relates to student assistance) were made in 2002–03 based on eligibility criteria administered by the Agency. This compares with income support payments of \$234 million paid in 2001–2002.

Income support payments rely, in part, on recipients providing correct and timely information. To supplement that information the Agency has in place a number of checks and controls. The student assistance programmes are administered by Centrelink under the Agency's Business Partnership Arrangement with that Agency, and are monitored by the Agency on a monthly basis. Key controls include regular enrolment checks and verification of student and family income through data matching with the Australian Taxation Office and other data held by Centrelink. Recovery action is taken when it is established that a debt has arisen as a result of payments being made on the basis of incorrect information.

The adequacy of controls in income support programs has been assessed partly through the risk assessment process undertaken for all of the Agency's programmes. The Agency also monitors regularly the performance information provided by Centrelink, and conducts its own monitoring checks on other income support payments.

On the basis that controls have been assessed as operating effectively, the Agency considers there is a low risk of invalid payments in income support programmes, and the level of any invalid payments would not materially affect the financial statements.

Note 2: Events Occurring after Balance Date

Questacon, which was part of the Department of Communications, Information Technology and the Arts as at 30 June 2003, has been transferred to the Department effective from 1 July 2003.

The Enterprise and Career Education Foundation Limited (ECEFL) was incorporated on 25 January 2001 to perform the school to work transition programme as a contractor to the Department of Education, Science and Training. The Australian Government made a decision to cease Commonwealth funding of ECEFL programmes from 30 June 2003 onwards. ECEFL functions will be progressively transferred to the Department of Education, Science and Training from that date, with ECEFL being dissolved by 30 September 2003.

The events occurred after balance date and have not been brought to account in the 2002–03 financial year.

Note 3: Revenues

	2002-03 \$'000	2001-02 \$'000
(a) Revenues from government		
Appropriations	218 802	196 311
Revenues received free of charge		
Australian National Audit Office – auditing services	252	250
Australian Taxation Office – administration of recovery of amounts under the Higher Education Contribution Scheme and the Student Financial Supplement Scheme	11 135	15 100
Department of Employment and Work Place Relations – computer equipment	-	655
Total revenues from government	230 189	212 316
(b) Goods and services		
Provision of goods – external entities	32	41
Rendering of services – related entities	2 445	1 771
Rendering of services – external entities	4 255	3 818
Total sales of goods and services	6 732	5 630
Costs of sales of goods	14	20
(c) Interest revenue		
Interest on deposits	1 240	2 239
Total interest revenue	1 240	2 239
(d) Net Gains from sales of assets		
Land and buildings		
Proceeds from sale	499	276
Net book value at sale	(106)	(238)
Net gain from disposal of land and buildings	393	38
Infrastructure, plant and equipment		
Proceeds from sale	9	-
Net book value at sale	-	(15)
Net loss from disposal of infrastructure, plant and equipment	9	(15)
Total Proceeds from disposals	508	276
Total value of assets disposed	(106)	(253)
Total net gain from disposal of assets	402	23
(e) Other		
Staff contributions	197	198
International projects	8 538	8 639
Rent	557	562
Other	2 062	2 065
Total other	11 354	11 464

Note 4: Expense

	2002-03	2001-02
	\$'000	\$'000
(a) Employee expenses		
Wages and Salaries	77 187	68 390
Superannuation	9 849	12 214
Leave and other entitlements	13 704	9 622
Separations and redundancies	13	1 551
Workers compensation premiums and claims	882	533
Other	3 990	2 476
Total employee expenses	105 625	94 786
(b) Suppliers expenses		
Provision of goods – external entities	4 331	2 282
Rendering of services – related parties	56 676	41 951
Rendering of services – external parties	53 261	57 749
Operating lease rentals	17 525	18 923
Total supplier expenses	131 793	120 905
(c) Depreciation and Amortisation		
Depreciation		
Other Infrastructure, plant & equipment	3 832	3 516
Building	897	1 367
Total depreciation	4 729	4 883
Amortisation		
Intangibles		
Computer Software	7 344	7 039
Total amortisation	7 344	7 039
Total depreciation and amortisation	12 073	11 922
(d) Write down of assets		
Financial		
Bad and doubtful debts expenses	157	195
Non – Financial		
Land and buildings	338	-
Infrastructure, plant and equipment – write off	244	45
Intangibles	1 740	2 637
Total write down of assets	2 479	2 877

Note 5: Financial Assets

	2002-03 \$'000	2001-02 \$'000
(a) Cash		
Special Accounts	6 710	7 891
Other	5 740	27 800
Total cash	12 450	35 691
(b) Receivables		
Goods and services	1 209	2 750
Less: Provision for doubtful debts	(391)	(294)
	818	2 456
Appropriation Receivable	27 500	-
GST Receivable	1 388	2 578
Total receivables (net)	29 706	5 034
Receivables (gross) are aged as follows:		
Not Overdue	29 393	3 488
Overdue by:		
Less than 30 days	30	547
30 to 60 days	27	976
60 to 90 days	22	-
More than 90 days	625	317
Total receivables (gross)	30 097	5 328
The provision for doubtful debts is aged as follows:		
Overdue by:		
Less than 30 days	-	5
30 to 60 days	3	98
60 to 90 days	13	-
More than 90 days	375	191
Total provision for doubtful debts	391	294
(c) Accrued revenues		
Interest	-	27
Total accrued revenues	-	27

Note 6: Non-financial Assets

	2002-03 \$'000	2001-02 \$'000
(a) Land and Buildings		
Freehold land - at valuation 1 May 2001	557	617
Total freehold land	557	617
Buildings - at valuation 1 May 2001	1 509	1 647
less accumulated depreciation	(263)	(256)
Total buildings	1 246	1 391
Leasehold improvements - at valuation 1 May 2001	14 875	15 933
less accumulated depreciation	(14 350)	(14 526)
	525	1 407
Leasehold improvements - at cost	3 541	29
less accumulated depreciation	(261)	(7)
	3 280	22
Total leasehold improvements	3 805	1 429
Total land and buildings (non-current)	5 608	3 437
(b) Infrastructure, Plant & Equipment		
Infrastructure, plant & equipment - at valuation 1 May 2001	5 635	10 634
less accumulated depreciation	(5 354)	(9 260)
	281	1 374
Infrastructure, plant & equipment - at cost	13 897	8 568
less accumulated depreciation	(3 658)	(905)
	10 239	7 663
Total infrastructure, plant & equipment	10 520	9 037
(c) Intangibles		
Computer software – internally developed – at cost	33 148	37 874
less accumulated amortisation	(16 687)	(17 582)
	16 461	20 292
Computer software – internally developed Computer software – under development	579	1 427
less accumulated amortisation	-	-
	579	1 427
Computer Software – purchased – at cost	254	22
less accumulated amortisation	(45)	(10)
	209	12
Total intangibles (non-current)	17 249	21 731
As detailed in Note 1.11, as per transitional provision AAS 38, the Agency has chosen to deem its intangibles to be at cost with effect from 30 June 2001.		
(d) Other		
Prepayments	1 947	1 932
Total other	1 947	1 932

Note 6: Non-financial Assets (cont.)
Table A – Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Item	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Other Infrastructure, plant and equipment \$'000	Computer Software – Total Intangibles \$'000	Total \$'000
As at 1 July 2002							
Gross book value	617	1 647	15 962	18 226	19 202	39 323	76 751
Accumulated depreciation	-	(256)	(14 533)	(14 789)	(10 165)	(17 592)	(42 546)
Net book value	617	1 391	1 429	3 437	9 037	21 731	34 205
Additions:							
by Purchase	-	-	3 512	3 512	5 559	4 601	13 672
Depreciation /amortisation expense	-	(39)	(858)	(897)	(3 832)	(7 344)	(12 073)
Disposals:							
Other disposals	(60)	(138)	(1 058)	(1 256)	(5 229)	(9 943)	(16 428)
Write back of accumulated depreciation on disposal	-	32	780	812	4 985	8 204	14 001
As at 30 June 2003							
Gross Book Value	557	1 509	18 416	20 482	19 532	33 981	73 995
Accumulated depreciation	-	(263)	(14 611)	(14 874)	(9 012)	(16 732)	(40 618)
Net Book Value	557	1 246	3 805	5 608	10 520	17 249	33 377

Note 6: Non-financial Assets (cont.)

Table B – Assets at Valuation

Item	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Other Infrastructure, plant and equipment \$'000	Computer Software – Total Intangibles \$'000	Total \$'000
As at 30 June 2003							
Gross value	557	1 509	14 875	16 941	5 635	-	22 576
Accumulated depreciation/amortisation	-	(263)	(14 350)	(14 613)	(5 354)	-	(19 967)
Net book value	557	1 246	525	2 328	281	-	2 609
As at 30 June 2002							
Gross value	617	1 647	15 933	18 197	10 634	-	28 831
Accumulated depreciation/amortisation	-	(256)	(14 526)	(14 782)	(9 260)	-	(24 042)
Net book value	617	1 391	1 407	3 415	1 374	-	4 789

Table C – Assets under Construction

Gross value at 30 June 2003	-	-	-	-	-	579	579
Gross value at 30 June 2002	-	-	-	-	-	1 427	1 427

Note 7: Interest Bearing Liabilities

	2002-03	2001-02
	\$'000	\$'000
(a) Leases		
Lease incentives	22	109
Total leases	22	109
One year or less	22	87
From one to five years	-	22
More than five years	-	-

Note 8: Provisions

	2002-03	2001-02
	\$'000	\$'000
(a) Employee provisions		
Salaries and wages	2 616	2 022
Leave	35 589	32 733
Superannuation	399	317
Total employee provisions	38 604	35 072
Current	16 327	13 685
Non-current	22 277	21 387

Note 9: Payables

	2002-03	2001-02
	\$'000	\$'000
(a) Supplier payables		
Trade creditors	8 894	6 108
Operating lease rentals	2 432	2 357
Total supplier payables	11 326	8 465
Current	9 389	6 630
Non-Current	1 937	1 835

Note 10: Equity
(a) Equity Table

Item	A Accumulated results		B Asset revaluation reserve		C Other reserves		D=B+C Total reserves		E Total Contributed equity/capital		F=A+D+E TOTAL EQUITY	
	2002-03 \$'000	2001-02 \$000	2002-03 \$'000	2001-02 \$000	2002-03 \$'000	2001-02 \$000	2002-03 \$'000	2001-02 \$000	2002-03 \$'000	2001-02 \$000	2002-03 \$'000	2001-02 \$000
Open Balance as at 1 July	13 218	21 849	5 189	5 189	-	-	5 189	5 189	13 987	13 987	32 394	41 025
Net surplus/deficit	(2 053)	1 181	-	-	-	-	-	-	-	-	(2 053)	1 181
Net revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation gain/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owner:												
Distributions to owner:												
Returns on Capital	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Capital Use Charges (CUC)	(3 443)	(3 553)	-	-	-	-	-	-	-	-	(3 443)	(3 553)
Returns of Capital	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Contributions by owner:												
Appropriations (equity injections)	-	(6 259)	-	-	-	-	-	-	-	-	-	(6 259)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to/(from)/between reserves	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as at 30 June	7 722	13 218	5 189	5 189	-	-	5 189	5 189	13 987	13 987	26 898	32 394
Less: Outside Equity Interests	-	-	-	-	-	-	-	-	-	-	-	-
Total equity attributable to the Commonweath	7 722	13 218	5 189	5 189	-	-	5 189	5 189	13 987	13 987	26 898	32 394

Note 10: Equity (cont.)

(b) Restructuring

	2002-03	2001-02
	\$'000	\$'000
<p>The Australian Research Council (ARC) was established by subsection 5(1) of the <i>Australian Research Council Act 2001</i>. The ARC became a prescribed Agency on 12 July 2001 but with a date of effect of 1 July 2001, therefore the Agency relinquished its responsibility for the ARC on 1 July 2001.</p> <p>As a result of a restructuring of administrative arrangements, the Agency assumed responsibility for science policy and programmes on 26 November 2001 from the Department of Industry, Science and Resources (DIST). The Agency relinquished its responsibility for youth affairs and programmes in support of indigenous young people to the Department of Family and Community Services on 26 November 2001.</p> <p>In respect of functions assumed, the net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer was.</p>		
Total assets recognised	-	820
Total liabilities recognised	-	(2 005)
Net assets assumed	-	(1 185)
<p>In respect of functions relinquished, the following assets and liabilities were transferred by the Agency:</p>		
Total assets relinquished	-	(6 870)
Total liabilities relinquished	-	1 794
Net assets relinquished	-	(5 076)
<p>Science Policy and Programmes</p>		
Revenues recognised by DISR	-	5 158
Revenues recognised by DEST	-	6 207
Total Revenues	-	11 365
Expenses recognised by DISR	-	5 158
Expenses recognised by DEST	-	6 207
Total Expenses	-	11 365

Note 11: Cash Flow Reconciliation

	2002-03 \$'000	2001-02 \$'000
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
▶ Cash at year end per Statement of Cash Flows	12 450	35 691
▶ Statement of Financial Position items comprising above cash: Financial Asset – Cash	12 450	35 691
Reconciliation of net surplus/(deficit) to net cash from operating activities:		
Net surplus/(deficit)	(2 053)	1 181
Depreciation/amortisation	12 073	11 922
Write down of assets	2 480	2 877
Net gain on disposal of assets	(403)	(23)
Non cash asset acquisitions	(81)	(848)
Net non cash restructuring transfers	-	(170)
Changes in assets and liabilities		
Decrease (increase) in receivables – cash to OPA	(27 500)	-
Decrease/(increase) in receivables	2 913	(2 966)
Decrease/(increase) in accrued revenue	(57)	(8)
Decrease/(increase) in prepayments	(15)	(411)
Increase/(decrease) in employee liabilities	3 532	1 589
Increase/(decrease) in suppliers liabilities	2 861	3 350
Increase/(decrease) in other debt	(87)	(87)
Increase/(decrease) in other provisions	(229)	384
Increase/(decrease) in other payables	(82)	(7)
Net cash from/(used by) operating activities	(6 648)	16 783

Note 12: Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$361,000 (2002: \$787,000). The amount represents an estimate of the Agency's liability based on precedent cases. The Agency is defending the claims.

The Department has indemnified the Canberra Theatre against claims resulting from the corporate function held in 2003 for \$10 million. The Department has covered itself by taking out insurance with Comcover for the \$10 million indemnity.

The Schedule also reports contingent assets in respect of claims of damages/costs of \$693,125 (2002: \$825,000). The Agency is expecting to succeed in claims against suppliers, although the cases are continuing. The estimate is based on precedent in such cases.

Unquantifiable Contingencies

At 30 June 2003, the Agency was involved in a number of other legal claims. It is not possible to estimate the amounts that may be receivable or payable in relation to these claims.

The Department also has three unlimited indemnities for agreements between the Commonwealth and third parties.

Note 13: Executive Remuneration

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

	2002-03	2001-02
	Numbers	Numbers
\$100 000 to \$110 000	4	1
\$110 001 to \$120 000	3	
\$120 001 to \$130 000	3	2
\$130 001 to \$140 000	5	2
\$140 001 to \$150 000	5	11
\$150 001 to \$160 000	3	3
\$160 001 to \$170 000	2	3
\$170 001 to \$180 000	5	3
\$180 001 to \$190 000	3	2
\$190 001 to \$200 000	4	4
\$210 001 to \$220 000	1	-
\$250 001 to \$260 000	1	-
The aggregate amount of total remuneration of executives shown above.	6 021 658	4 861 539
The aggregate amount of separation and redundancy payments during the year to the executives shown above.	79 963	463 169

Note 14: Remuneration of Auditors

The fair value of services provided by the Australian National Audit Office (ANAO) for the audit of the Agency's financial statements was \$252,000 (2001-02: \$250,000). There is no charge by the ANAO for these auditing services. No other services were provided to the Agency by the Auditor-General during the financial year.

Note 15: Average Staffing Levels

The average staffing level for the Agency in 2002-03 was 1,426 (2001-02: 1,374).

Note 16: Financial Instruments

(a) Terms, conditions and accounting policies

Financial Instrument	Note	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows).
<i>Financial Assets</i>			
		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at bank	5(a)	Cash is recognised at its nominal amounts. Interest is credited to revenue as it accrues.	Monies in the Agency's bank accounts are swept into the Official Public Account nightly and interest is earned on the daily balance at rates based on money market call rates. The Agency invests surplus funds in term deposits with the Reserve Bank. Interest rates have averaged 2.0% (2002 : 2.0%) on funds at call and 4.68% (2002 : 4.48%) on term deposits. Interest is paid quarterly on the funds at call and on maturity for term deposits.
Receivables for goods and services	5(b)	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. An appropriation receivable has been recognised for cash transferred to the Department of Finance and Administration, this can be drawn upon in the future.	All receivables are with entities external to the Commonwealth. Credit terms are net 30 days (2001–02: 30 days). As a result of the Budget Estimates and Framework Review cash was transferred to the Department of Finance and Administration. This is now an appropriation receivable for the Department.
Accrued revenues	5(c)	Interest is credited to revenue as it accrues. Interest is payable quarterly on funds at call and on maturity for term deposits.	Interest: as for cash at bank.
<i>Financial Liabilities</i>			
		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of liability can be reliably measured	
Trade creditors	9(a)	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.
<i>Unrecognised Financial Liabilities</i>			
Goods and services contracts		The Agency recognises commitments in respect of contractual obligations for goods and services that have not been provided at balance date. The commitments are measured as the total value of the contracts	These commitments relate to contracts and agreements with parties external to the Commonwealth. Payments are made in accordance with the terms and conditions set out in the contract.
Indemnities	12	The Department has given four indemnities relating to agreements with third parties	Refer to Note 12.

Note 16: Financial Instruments (cont.)

(b) Interest Rate Risk: Agency

Financial Instrument	Notes	Floating interest rate		Fixed Interest Rate						Non – Interest Bearing		Total		Weighted Avg. effective interest rate							
		02-03		01-02		1 to 2 years		2 to 5 years		> 5 Years		02-03		01-02		02-03		01-02			
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	%	%	%	%	
Financial Assets																					
Cash at bank	5(a)	12 415	(5 823)	-	41 493	-	-	-	-	-	-	-	-	-	35	21	12 450	35 691	4.34	4.31	
Receivables for goods and services	5(b)	-	-	-	-	-	-	-	-	-	-	-	-	-	29 706	5 034	29 706	5 034	N/A	N/A	
Accrued revenues	5(c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27	-	27	-	N/A	N/A
Capital Use Charge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	92	-	92	-	N/A	N/A
Total Financial Assets (Recognised)		12 415	(5 823)	-	41 493	-	-	-	-	-	-	-	-	-	29 741	5 174	42 156	40 844			
Total assets																	77 480	76 981			
Financial Liabilities																					
Trade creditors	9(a)	-	-	-	-	-	-	-	-	-	-	-	-	-	8 894	6 108	8 894	6 108	N/A	N/A	
Total Financial Liabilities (Recognised)		-	-	-	-	-	-	-	-	-	-	-	-	-	8 894	6 108	8 894	6 108	N/A	N/A	
Total liabilities																	50 582	44 587			
Liabilities not recognised																					
Goods and services contracts		-	-	-	-	-	-	-	-	-	-	-	-	-	9 740	3 290	9 740	3 290	N/A	N/A	
Indemnities	12	-	-	-	-	-	-	-	-	-	-	-	-	-	10 000	-	10 000	-	N/A	N/A	
Total Financial Liabilities (Unrecognised)															19 740	3 290	19 740	3 290	N/A	N/A	

Note 16: Financial Instruments (cont.)

(c) Net Fair Value of Financial Assets and Liabilities

	Note	2002-03		2001-02	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash at bank	5(a)	12 450	12 450	35 691	35 691
Receivables for goods and services	5(b)	29 706	29 706	5 034	5 034
Accrued revenues	5(c)	-	-	27	27
Capital use charge		-	-	92	92
Total Financial Assets		42 156	42 156	40 844	40 844
Financial Liabilities (Recognised)					
Trade creditors	9(a)	8 894	8 894	6 108	6 108
Total Financial Liabilities (Recognised)		8 894	8 894	6 108	6 108
Financial Liabilities (Unrecognised)					
Goods and services contracts		9 740	9 740	3 290	3 290
Indemnities	12	10 000	10 000	-	-
Total Financial Liabilities (Unrecognised)		19 740	19 740	3 290	3 290

The net fair values of cash, receivables and accrued revenue reflect their carrying amounts.

The net fair values for trade creditors approximate their carrying amounts.

The net fair values of goods and services contracts reflect the full value of the agreements.

(d) Credit Risk Exposure

The Agency's maximum exposure 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 Agency has no significant exposure 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 17: Revenues Administered on Behalf of Government

	2002-03 \$'000	2001-02 \$'000
Revenues		
(a) Interest		
Interest from other sources	84	7
	84	7
(b) Goods and Services		
Provision of services – external entities	62	46
	62	46
(c) Other revenues		
Indexation of HECS receivable	247 671	252 231
Indexation of student loans	10 251	10 683
State Grants repayments	26 240	25 627
Other	8 383	14 840
	292 545	303 381
Total Revenues Administered on Behalf of Government	292 691	303 434

Note 18: Expenses Administered on Behalf of Government

	2002-03 \$'000	2001-02 \$'000
Expenses		
(a) Grants		
Related entities	1 125 608	1 068 988
Non-profit institutions	252 563	105 817
Multi-jurisdictional sector	4 415 738	4 093 801
Overseas entities	152	134
State and Territory governments	5 990 290	5 771 079
Other	54 870	155 468
	11 839 221	11 195 287
(b) Subsidies		
Other		
Support for New Apprenticeships	431 253	364 060
Textbook Subsidy	23 320	21 075
	454 573	385 135
(c) Personal benefits		
Student allowances	304 859	267 757
Other	11 938	12 660
	316 797	280 417
(d) Suppliers		
Rendering of services – external parties	259 788	256 343
	259 788	256 343
(e) Write down of assets		
Financial assets		
Receivables		
HECS loans	455 910	180 840
Student Financial Supplement Scheme	28 751	166 311
Student allowances	337	622
Other	234	107
	485 232	347 880
Non-Financial assets		
Infrastructure, plant and equipment	-	72
	-	72
	485 232	347 952
(f) Interest		
Loans		
Student Financial Supplement Scheme	9 230	9 171
Other	-	30
	9 230	9 201
Total Expenses Administered on Behalf of Government	13 364 841	12 474 335

Note 19: Assets Administered on Behalf of Government

	2002-03 \$'000	2001-02 \$'000
Financial assets		
(a) Cash		
Special Accounts	1 592	2 644
Other	-	-
OPA	6 911	5 157
	8 503	7 801
(b) Receivables		
HECS loans	9 093 868	8 061 922
Less: Provision for doubtful debts	(2 018 998)	(1 572 075)
	7 074 870	6 489 847
SFSS loans	350 422	320 339
Less: Provision for doubtful debts	(294 355)	(267 389)
	56 067	52 950
Student Allowances	27 321	25 090
Less: Provision for doubtful debts	(1 196)	(1 687)
	26 125	23 403
Unfunded University Superannuation	650 000	-
Less: Provision for doubtful debts	(300 000)	-
	350 000	-
Other Receivables	25 033	58 191
	7 532 095	6 624 391
Receivables (gross) are aged as follows:		
Not overdue	10 115 853	8 433 766
Overdue by:		
Less than 30 days	649	1 246
30 to 60 days	563	4 748
60 to 90 days	530	1 005
More than 90 days	29 048	24 777
Total receivables (gross)	10 146 644	8 465 542
The provision for doubtful debts is aged as follows:		
Not overdue	2 613 353	1 839 464
Overdue by:		
More than 90 days	1 196	1 687
Total provision for doubtful debts	2 614 549	1 841 151

Note 19: Assets Administered on Behalf of Government (cont.)

	2002-03 \$'000	2001-02 \$'000
(c) Investments		
<i>Commonwealth Authorities</i>		
Australian National Training Authority (net assets at 30 June 1997)	5 305	5 305
	5 305	5 305
<i>Associated Entities</i>		
Anglo-Australian Telescope Board (net assets at 30 June 1997)	16 656	16 656
Australian National University (net assets at 31 December 1996)	773 303	773 303
Australian Marine Science and Technology	544	544
	790 503	790 503
<i>Commonwealth Controlled Entities</i>		
Australian Institute of Marine Science	29 353	25 933
Australian Nuclear Science and Technology Organisation	358 835	254 660
Commonwealth Scientific and Industrial Research Organisation	865 840	865 840
	1 254 028	1 146 433
	2 049 836	1 942 241
Total financial assets	9 590 434	8 574 433

The Anglo-Australian Telescope Board is jointly owned by the Australian and British Governments.

The principal activities of each of the above are as follows:

Australian National Training Authority – facilitation of an integrated national vocational education and training system.

Anglo-Australian Telescope Board – provision of optical and infrared observing facilities for British and Australian astronomers.

Australian National University – provision of research and teaching services

Australian Institute of Marine Science – provision of marine research, particularly tropical marine science with the view to support the sustainable use and protection of the marine environment.

Australian Nuclear Science and Technology Organisation – timely delivery of valued nuclear related scientific and technical advice services and products.

Australian Marine Science and Technology – principal activity is to work with the private sector to undertake international marine environment and resource development projects.

Commonwealth Scientific and Industrial Research Organisation – enhance innovation, productivity and competitiveness in Australian industry with improved understanding and management of the environment and natural resources through research.

Note 19: Assets Administered on Behalf of Government (cont.)

	2002-03 \$'000	2001-02 \$'000
Non-financial assets		
(d) Land and Buildings		
Buildings – at June 1999 valuation (net realisable value)	104	104
	104	104
(e) Infrastructure, plant and equipment		
Other infrastructure, plant and equipment – at June 2000 valuation (net realisable value)	174	174
	174	174
(f) Other		
Prepayments Paid	109	9
	109	9
Total non-financial assets	387	287
Total Assets Administered on Behalf of Government	9 590 821	8 574 720
Current assets	1 049 698	837 257
Non-current assets	8 541 123	7 737 463

Note 19: Assets Administered on Behalf of Government (cont.)

Non-financial Assets

Table A - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Item	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Other Infrastructure, plant and equipment \$'000	Computer Software – Total Intangibles \$'000	Total \$'000
As at 1 July 2002							
Gross book value	-	104	-	104	174	-	278
Accumulated depreciation	-	-	-	-	-	-	-
Net book value	-	104	-	104	174	-	278
Additions:							
by Purchase	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-
Net Revaluation increment/decrement	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-
Disposals:							
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-
As at 30 June 2003							
Gross Book Value	-	104	-	104	174	-	278
Accumulated depreciation	-	-	-	-	-	-	-
Net Book Value	-	104	-	104	174	-	278

Note 19: Assets Administered on Behalf of Government (cont.)

Non-financial Assets

Table B – Assets at Valuation

Item	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Total land and buildings \$'000	Other Infrastructure, plant and equipment \$'000	Computer Software – Total Intangibles \$'000	Total \$'000
As at 30 June 2003							
Gross value	-	104	-	104	174	-	278
Accumulated depreciation/amortisation	-	-	-	-	-	-	-
Net book value	-	104	-	104	174	-	278
As at 30 June 2002							
Gross value	-	104	-	104	174	-	278
Accumulated depreciation/amortisation	-	-	-	-	-	-	-
Net book value	-	104	-	104	174	-	278

Note 20: Liabilities Administered on Behalf of Government

	2002-03 \$'000	2001-02 \$'000
Interest bearing liabilities		
(a) Loans		
Student Financial Supplement Scheme	146 638	162 872
	146 638	162 872
Maturity schedule for loans:		
Payable : One year or less	44 043	38 968
From one to five years	102 595	123 904
More than five years	-	-
	146 638	162 872
Payables		
(b) Suppliers		
Trade creditors	16 309	19 899
	16 309	19 899
(c) Grants		
Public Sector		
Commonwealth entities	476 591	493 547
Multi-jurisdictional sector	2 669 181	2 714 065
State and Territory Governments	2 787 147	2 675 139
Other	-	1 837
Private sector		
Non-profit entities	17 115	18 766
Commercial entities	53	-
	5 950 087	5 903 354
(d) Personal Benefits		
ABSTUDY and AIC	1 843	2 314
HECS	49 985	42 844
Other	-	-
	51 828	45 158
(e) Subsidies		
Private sector		
Commercial entities	8 093	4 832
	8 093	4 832
(f) Interest Payable	731	932
	731	932
Provisions		
(g) Provision for Grants	2 600 000	-
	2 600 000	-
Total Liabilities Administered on Behalf of Government	8 773 686	6 137 047
Current liabilities	8 505 789	5 974 175
Non-current liabilities	267 897	162 872

Note 21: Administered Restructuring

	2002-03	2001-02
	\$'000	\$'000
<p>The Australian Research Council (ARC) was established by subsection 5(1) of the Australian Research Council Act 2001. The ARC became a prescribed Agency on 12 July 2001 but with a date of effect of 1 July 2001, therefore the Department relinquished its responsibility for the ARC on 1 July 2001.</p> <p>As a result of a restructuring of administrative arrangements, the Agency assumed responsibility for science policy and programmes on 26 November 2001 from the Department of Industry, Science and Resources. The Department relinquished its responsibility for youth affairs and programmes in support of indigenous young people to the Department of Family and Community Services on 26 November 2001.</p> <p>In respect of functions assumed, the net book values of assets and liabilities transferred to the Agency for no consideration and recognised as at the date of transfer was:</p>		
Total administered assets recognised	-	1 150 975
Total administered liabilities recognised	-	-
Net administered assets assumed	-	1 150 975
<p>In respect of functions relinquished, the following assets and liabilities were transferred by the Agency:</p>		
Total administered assets relinquished	-	(117 712)
Total administered liabilities relinquished	-	117 712
Net administered assets relinquished	-	0

Note 22: Administered Reconciliation Table

	2003 \$'000
Opening administered assets less administered liabilities at 1 July	2 437 673
Plus Administered revenues	292 690
Less Administered expenses	(13 364 841)
Administered transfers to/from Government:	
Appropriation Transfers from OPA	13 277 638
Transfers to OPA	73 974
Change in Accounting Policy	(1 900 000)
Closing administered assets less administered liabilities	817 135

Note 23: Administered Contingent Liabilities and Assets

Quantifiable Administered Contingencies

Guarantees were given in relation to the Commonwealth Loans Guarantee Program.

Unquantifiable Administered Contingencies

Unlimited indemnities were given in relation to the clean-up of the former British atomic test site at Maralinga and for the Australian Nuclear Science and Technology Organisation.

Unlimited guarantees were given in relation to Group Training Companies guaranteeing bank overdraft facilities.

Note 24: Act of Grace Payments, Waivers and Defective Administration Scheme

	2002-03 \$	2001-02 \$
Administered Act of Grace Payments & Waivers		
11 waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2001-02: 3).	62 778	8 525
6,124 waivers of amounts owing to the Commonwealth were/was made under the <i>Student Assistance Act 1973</i> (2001-02: 4,371).	622 368	380 140
2,385 Waivers of amounts owing to the Commonwealth were made under the <i>Higher Education Funding Act 1988</i> (2001-02: 1,686).	2 869 195	1 855 058

Note 25: Administered Financial Instruments

(a) Terms, conditions and accounting policies

Financial Instrument	Note	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows).
<i>Financial Assets</i>			
		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at bank	19(a)	Deposits are recognised at their nominal amounts.	No interest is earned on administered funds.
Loans	19(b)	Loans are recognised at the amounts lent. Collectability of amounts outstanding is reviewed at balance date. Provision is made for bad and doubtful loans where collection of the loan or part thereof is judged to be less, rather than more, likely. In rare circumstances, loan repayments may be waived. Indexation is credited to revenue on 1 June each year.	Loans are made under agreements with students. No security is required. All loans are indexed on 1 June each year using the movement in the CPI over the previous 12 months as the basis for indexation. Loans under the Higher Education Contribution Scheme and the Student Supplement Loan Scheme are repaid through the income tax system and collected by the Australian Taxation Office. Amounts collected on loans are income contingent. The current asset is the amount expected to be recovered in 2003-04 by the Australian Taxation Office.
Student allowances	19 (b)	These receivables are recorded at their nominal values and are recognised at the time an overpayment is identified. Fines or charges may be imposed where this is allowed under specific legislation. Collectability of amounts outstanding is reviewed at balance date. Provision is made for bad and doubtful loans where collection of the loan or part thereof is judged to be less, rather than more, likely.	Fines and charges may be levied at rates specified in specific legislation, particularly the Students Assistance Act.
Other receivables	19(b)	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 (2001-02: 30 days).
<i>Financial Liabilities</i>			
		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of liability can be reliably measured.	
Loans to students under the Student Supplement Loan Scheme	20(a)	The amounts loaned by the Commonwealth have been disclosed as a liability and a receivable. The liability for the loans represents the amount of the principal outstanding.	The loans have been provided to students under the Student Supplement Loan Scheme. The loans are provided by the Commonwealth Bank and are purchased by the Commonwealth after the loan guarantee has been in place for 5 years.

Note 25: Administered Financial Instruments (cont.)

(a) Terms, conditions and accounting policies

Financial Instrument	Note	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows).
Suppliers	20(b)	<p>These liabilities 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).</p> <p>The Agency also recognises liabilities in relation to contracts and agreements with other parties where the full value of such contracts and agreements is expensed in the year the contract or agreement is signed. The liabilities are recorded at nominal amounts.</p>	<p>All suppliers are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.</p> <p>These liabilities relate to contracts and agreements with parties external to the Commonwealth. Payments are made in accordance with the terms and conditions set out in the contract or agreement.</p>
Grant liabilities	20(c)	<p>Multi-year Capital Grants to Block Grant Authorities for schools are expensed in the year the agreements are made, and may cover periods of up to three years.</p> <p>Other grants are recognised as liabilities and expensed in the calendar year in which the grant agreements are made, except in cases where further funding is not provided until specific milestones have been met. Amounts reported as liabilities at balance date relate mainly to payments to be made during the second half of the school and university years to State governments, non-Government schools and universities. A liability is also recognised for payments due to be paid to the Australian National Training Authority.</p>	<p>The Commonwealth makes quadrennial funding agreements with State and Territory Governments and non-government school authorities for funding of Government and non-government schools and triennial funding agreements with universities to meet public policy objectives. Funds are provided annually and expensed in accordance with the agreements, except in cases where further funding is not provided until specific milestones have been met. As these grants are non-contractual in nature, no further disclosures required by AAS33 are made in this note.</p> <p>The Agency administers other grants which, in the majority of cases, cover only the financial year in which the agreement is made.</p>

Note 25: Administered Financial Instruments (cont.)

(a) Terms, conditions and accounting policies

Financial Instrument	Note	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows).
Personal benefits	20(d)	<p>Personal benefits for the ABSTUDY and AIC programs (student allowances) are recognised as liabilities to the extent that students have qualified for the benefits but have not yet been paid.</p> <p>Personal benefits for HECS are recognised as liabilities based on an estimate of the amount outstanding for the current calendar year.</p>	<p>The ABSTUDY and AIC liabilities relate to entitlements by students to allowances under the ABSTUDY and AIC programs. Payments are made in accordance with the qualifying provisions established in the ABSTUDY and AIC programs.</p> <p>The HECS liability relates to the 25% (2002 : 25%) discount provided to eligible students who elect to make up front payments towards the cost of their courses.</p>
Subsidies	20(e)	Subsidies for the support of New Apprenticeships are recognised as liabilities to the extent that the services have been received and the employer is entitled to the subsidy.	The liabilities relate to contracts and/or agreements with parties external to the Commonwealth. Payments are made in accordance with the terms and conditions set out in the contract or agreement.
<i>Unrecognised Financial Liabilities</i>			
Guarantees – loans		The amounts guaranteed by the Commonwealth have been disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that the guarantees would be called upon, and recognition of a liability was therefore not required. The guarantees are measured as the sum of principal and any interest outstanding.	The guarantees have been given by the Commonwealth under the Commonwealth Loan Guarantee Programme.
Goods and services contracts		The Agency recognises commitments in respect of contractual obligations for goods and services that have not been provided at balance date. The commitments are measured as the total value of the contracts.	These commitments relate to contracts and agreements with parties external to the Commonwealth. Payments are made in accordance with the terms and conditions set out in the contract.
Indemnities		Indemnities are recognised where included in agreements, deeds of agreement or unlimited deed of indemnity between the Commonwealth and external parties. The indemnities recognised to date are specified as unlimited.	<p>These indemnities relate to agreements and deeds of agreement between the Commonwealth and external parties for the clean-up of the former British atomic test site at Maralinga.</p> <p>There is also an unlimited deed of indemnity between the Minister of Industry, Science and Tourism and the Australian Nuclear Science and Technology Organisation.</p>

Note 25: Administered Financial Instruments (cont.)

(b) Interest Rate Risk: Administered

Financial Instrument	Notes	Floating interest rate	Fixed Interest Rate						Non – Interest Bearing	Total	Weighted Avg. effective interest rate		
			≤ 1 year										
			02-03 \$ '000	01-02 \$ '000	02-03 \$ '000	01-02 \$ '000	2 to 5 years \$ '000	> 5 Years \$ '000					
Financial Assets													
Cash	19(a)	-	-	-	-	-	-	7 801	8 503	7 801	-	N/a	
Receivables	19(b)	-	-	-	-	-	-	6 624 391	7 532 095	6 624 391	-	N/a	
Total Financial Assets (Recognised)		-	-	-	-	-	-	6 632 192	7 540 598	6 632 192	-		
Total assets													
9 590 434													
Financial Liabilities													
Loans	20 (a)	146 638	162 872	-	-	-	-	-	-	146 638	162 872	4.98	5.65
Suppliers	20 (b)	-	-	-	-	-	-	19 899	16 309	19 899	-	-	N/a
Grant liabilities	20 (c)	-	-	-	-	-	-	5 903 354	5 950 087	5 903 354	-	-	N/a
Personal benefits	20 (d)	-	-	-	-	-	-	45 158	51 828	45 158	-	-	N/a
Subsidies	20 (e)	-	-	-	-	-	-	4 832	8 093	4 832	-	-	N/a
Interest payable	20 (f)	-	-	-	-	-	-	932	731	932	-	-	N/a
Provision for grants	20 (g)	-	-	-	-	-	-	-	2 600 000	-	-	-	N/a
Total Financial Liabilities (Recognised)		146 638	162 872	-	-	-	-	5 974 175	8 627 048	5 974 175	8 773 686	6 137 047	
Total liabilities													
8 773 686													
Liabilities not recognised													
Loan guarantees		-	-	-	-	-	-	525	350	525	-	-	N/a
Goods and services contracts		-	-	-	-	-	-	1 002 780	1 074 913	1 002 780	-	-	N/a
Total Financial Liabilities (Unrecognised)		-	-	-	-	-	-	1 002 780	1 074 913	1 002 780	-	-	
Total Financial Liabilities (Unrecognised)													
1 075 263													

Note 25: Administered Financial Instruments (cont.)

(c) Net Fair Value of Financial Assets and Liabilities

	Note	2002-03		2001-02	
		Total carrying amount	Aggregate net fair value	Total carrying amount	Aggregate net fair value
		\$'000	\$'000	\$'000	\$'000
Cash	19(a)	8 503	8 503	7 801	7 801
Receivables	19(b)	7 532 095	7 532 095	6 624 391	6 624 391
Total Financial Assets		7 540 598	7 540 598	6 632 192	6 632 192
Financial Liabilities (Recognised)					
Loans	20(a)	146 638	146 638	162 872	162 872
Suppliers	20(b)	16 309	16 309	19 899	19 899
Grant liabilities	20(c)	5 950 087	5 950 087	5 903 354	5 903 354
Personal benefits	20(d)	51 828	51 828	45 158	45 158
Subsidies	20(e)	8 093	8 093	4 832	4 832
Interest payable	20(f)	731	731	932	932
Provision for grants	20(g)	2 600 000	2 600 000	-	-
Total Financial Liabilities (Recognised)		8 773 686	8 773 686	6 137 047	6 137 047
Financial Liabilities (Unrecognised)					
Loan guarantees		350	350	525	525
Goods and services contracts		1 074 913	1 074 913	1 002 780	1 002 780
Total Financial Liabilities (Unrecognised)		1 075 263	1 075 263	1 003 305	1 003 305

Financial Assets

The net fair values of cash and receivables approximate their carrying amounts.

Financial Liabilities

The net fair values for loans, suppliers, subsidies, personal benefits, grant and other liabilities approximate their carrying amounts.

The net fair values of guarantees are regarded as the maximum possible loss which the Commonwealth faces while the guarantee remains current.

The net fair values of goods and services contracts reflect the full value of the agreements.

(d) Credit Risk Exposure

The Agency's maximum exposure 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 Assets Administered on Behalf of Government note.

The Agency has no significant exposure 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 26: Unfunded Superannuation Provision for Australian Universities

Funding responsibility for universities has varied from time to time between the Commonwealth and the states. A number of universities have employees or former employees who are members of state superannuation schemes which are unfunded or partly funded. In these schemes current employer contributions for benefits cover many past years of accruals of benefit rights for individual members. Accordingly, there are cost sharing arrangements for these schemes in place between the Commonwealth and the states. The Commonwealth makes payments to the universities which are then used to pay the required amount of employer contributions to the schemes. The Commonwealth is then reimbursed by the states for their share of the costs.

Prior to 2002–03 the Commonwealth recognised its involvement in the Annual Financial Statements of DEST as an administered commitment. However, as a result of the introduction of Accounting Standard AASB 1044 and UIG51 the Commonwealth has now recognised the administered commitment as a provision (liability) for 2002–03. AASB1044 requires the recognition of a provision where it is probable that a future sacrifice of economic benefit will be required and where the amount of the provision can be measured reliably. It should be noted that inclusion of a provision as a liability in the Annual Financial Statements does not constitute recognition of a legal obligation or policy commitment.

The Australian Government Actuary provided an estimate of the provision. The Australian Government Actuary noted that the estimates are based on figures calculated by respective state actuaries for

the universities and that these calculations were at different dates and on different actuarial bases.

In accordance with the generally accepted accounting principles, the statements recognise a receivable from the states as the estimated reimbursement to the Commonwealth by the states. In recognition of the uncertain nature of the receivable a provision for doubtful debt against that receivable has also been recognised. The Annual Financial Statements include a total unfunded superannuation liability of \$2.6 billion of which the Commonwealth's share is estimated to be \$2.25 billion.

It should be noted that a process commenced in 2002–03 under which it is intended that the Commonwealth and states will assess future costs and agree upon simplified future costs and agree upon simplified arrangements. Negotiations on improved arrangements with the states are continuing.

Note 27: Appropriations

Table A: Cash Basis Acquittal of Appropriations from Bills 1/3

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1 \$'000	Outcome 2 \$'000	Outcome 3 \$'000		
Year ended 30 June 2003					
Balance carried from previous year	5 441	19 058	487	27 800	52 786
<i>Adjustments to opening balances</i>					
Add: Total ATAS Tutors receipts since July 1 999 to 30 June 2002 (refer note 28)	612	-	-	-	612
Less: Total ATAS Tutors expenses since July 1 999 to 30 June 2002 (refer note 28)	18	-	-	-	18
Adjusted balance carried from previous year	6 035	19 058	487	27 800	53 380
Appropriation for reporting period (Act 1)	143 717	669 025	192 387	217 286	1 222 415
Appropriation for reporting period (Act 3)	-	46 727	7 180	499	54 406
Adjustments by the Finance Minister	-	-	-	-	-
Amounts from Advance to the Finance Minister	-	-	-	-	-
Refunds credited (FIMA s30)	-	-	-	-	-
GST credits (FIMA s30A)	5 789	64 793	16 271	7 665	94 518
Annotations to 'net appropriations' (FIMA s31)	-	-	-	10 421	10 421
Other annotations	-	-	-	-	-
Transfers to/from other agencies (FIMA s32)	-	-	-	-	-
Administered appropriation lapsed	-	-	-	-	-
Available for payments	155 541	799 603	216 325	263 671	1 435 140
Payments made	138 592	775 513	211 936	257 919	1 383 960
Balance carried to next year	16 949	24 090	4 389	5 752	51 180
Represented by:					
Cash	-	-	-	5 752	5 752
Appropriations receivable	16 949	24 090	4 389	-	45 428

Note 27: Appropriations

Table A: Cash Basis Acquittal of Appropriations from Bills 1/3 (cont.)

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 3		
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2002					
Balance carried from previous period	19 324	27 350	305	23 265	70 244
Total annual appropriation	142 000	662 842	18 367	195 336	1 018 545
Adjustments and annotations to appropriations	-	-	-	10 247	10 247
GST credits (FMA s30A)	5 253	39 832	5 253	6 645	56 983
Transfers to/from other agencies (FMA s32)	-	(26 057)	108 930	181	83 054
Administered expenses lapsed under determination	7 323	-	5 037	-	12 360
Available for payments	166 577	703 967	132 855	235 674	1 239 073
Payments made during the year	153 813	694 490	127 331	207 874	1 183 508
Balance carried forward to next period	5 441	19 058	487	27 800	52 786

Note 27: Appropriations (Cont.)

Table B: Cash Basis Acquittal of Appropriations from Bills 2/4

Particulars	Operating				Non - operating				Total \$'000		
	Outcome 1		Outcome 2		Outcome 3		Equity \$'000	Loans \$'000		Previous Years' Outputs \$'000	Admin assets and liabilities \$'000
	SPPs ¹ \$'000	NAE ² \$'000	SPPs \$'000	NAE \$'000	SPPs \$'000	NAE \$'000					
Year ended 30 June 2003											
Balance carried from previous period	-	-	-	-	-	-	-	-	-	-	-
Current appropriation (Act 2)	-	-	-	-	-	-	-	-	-	-	-
Current appropriation (Act 4)	-	-	-	-	-	-	-	-	-	-	-
Adjustments by the Finance Minister	-	-	-	-	-	-	-	-	-	-	-
Amounts from Advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-	-
Refunds credited (FMA s30)	-	-	-	-	-	-	-	-	-	-	-
GST credits (FMA s30A)	-	-	-	-	-	-	-	-	-	-	-
Annotations to 'net appropriations' (FMA s31)	-	-	-	-	-	-	-	-	-	-	-
Other annotations	-	-	-	-	-	-	-	-	-	-	-
Transfers to/from other agencies (FMA s32)	-	-	-	-	-	-	-	-	-	-	-
Administered appropriation lapsed	-	-	-	-	-	-	-	-	-	-	-
Available for payments	-	-	-	-	-	-	-	-	-	-	-
Payments made	-	-	-	-	-	-	-	-	-	-	-
Balance carried to next period	-	-	-	-	-	-	-	-	-	-	-
Represented by:											
Cash	-	-	-	-	-	-	-	-	-	-	-
Appropriations receivable	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-

¹ Specific Purpose Payments

² New Administered Expenses

Note 27: Appropriations (Cont.)

Table B: Cash Basis Acquittal of Appropriations from Bills 2/4 (cont.)

Particulars	Operating						Non – Operating				Total	
	Outcome 1		Outcome 2		Outcome 3		Equity	Loans	Previous Years' Outputs	Admin assets and liabilities		
	SPPs	NAE	SPPs	NAE	SPPs	NAE						
Year ended 30 June 2002												
Balance carried from previous period	-	-	-	-	-	-	-	7 432	-	-	-	7 432
Total appropriations	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments and annotations to appropriations	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to/from other agencies (FMA s32)	-	-	-	-	-	-	-	-	-	-	-	-
GST credits (FMA s30A)	-	-	-	-	-	-	-	336	-	-	-	336
Administered appropriation lapsed	-	-	-	-	-	-	-	-	-	-	-	-
Available for payments	-	-	-	-	-	-	-	7 768	-	-	-	7 768
Payments made during the year	-	-	-	-	-	-	-	7 768	-	-	-	7 768
Balance carried forward to next period	-	-	-	-	-	-	-	-	-	-	-	-

Note 27: Appropriations (cont.)

Table C: Cash Basis Acquittal of Special Appropriations (Unlimited Amount) (cont.)

Particulars of legislation providing appropriation (including purpose)	Administered						Departmental			Total	
	Outcome 1		Outcome 2		Outcome 3		02-03 \$'000	01-02 \$'000	01-02 \$'000	02-03 \$'000	01-02 \$'000
	02-03 \$'000	01-02 \$'000	02-03 \$'000	01-02 \$'000	02-03 \$'000	01-02 \$'000					
<i>Student Assistance Act 1973</i>											
Budget estimate	123 906	97 902	98 424	102 973	-	-	-	-	-	222 330	200 875
Payments made	115 897	118 923	131 002	117 594	-	-	-	-	-	246 899	236 517
Refunds credited (section 30)	-	-	-	-	-	-	-	-	-	-	-
<i>Appropriation (Supplementary Measures) Act (No. 1) 1999 – Book Industry Assistance Plan</i>											
Budget estimate	18 058	17 689	16 756	16 169	-	-	-	-	-	34 814	33 858
Payments made	31 390	15 164	15 404	12 696	-	-	-	-	-	46 794	27 860
Refunds credited (section 30)	-	-	-	-	-	-	-	-	-	-	-
Total Special Appropriations	6 287 802	5 738 026	5 114 822	5 173 385	273 514	244 046	-	-	-	11 676 138	11 155 457
Budget Estimate	6 025 609	5 849 860	5 085 623	5 090 926	235 835	236 934	-	-	-	11 347 067	11 177 720
Payments made	6 025 609	5 849 860	5 085 623	5 090 926	235 835	236 934	-	-	-	11 347 067	11 177 720
Refunds credited (section 30)	-	-	-	-	-	-	-	-	-	-	-

Note 27: Appropriations (cont.)

Table D: Cash Basis Acquittal of Special Appropriations (Limited Amount)

Particulars	Departmental	
	02-03 \$'000	01-02 \$'000
<i>Appropriation (Supplementary Measures) Act (No.1) 1999</i>		
– Book Industry Assistance Plan		
Balance carried from previous year		-
Appropriation for reporting period	1 017	742
GST credits (FMA s30A)		-
Other annotations		-
Available for payments	1 017	742
Payments made	1 017	742
Balance carried to next period	-	-
Represented by:		
Cash	-	-
Appropriations receivable	-	-

Note 28: Special Accounts

OTHER TRUST MONIES – DEPARTMENTAL

Legal Authority – *Financial Management and Accountability Act 1997*, section 20

Purpose – for receipt of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

	2002-03 \$'000	2001-02 \$'000
Balance carried forward	2 646	2 656
Appropriations	-	-
Costs recovered	-	-
Other receipts	58	(10)
Available for payments	2 704	2 646
Payments made	(13)	-
Balance available at year end	2 691	2 646
Represented by:		
Cash	2 691	2 646
Total	2 691	2 646

Note 28: Special Accounts (Cont.)

SERVICES FOR OTHER GOVERNMENT AND NON-GOVERNMENT BODIES – DEPARTMENTAL

Legal Authority – *Financial Management and Accountability Act 1997*, section 20

Purpose – for expenditure in connection with services performed for other Governments and bodies that are not FMA agencies.

	2002-03	2001-02
	\$'000	\$'000
Balance carried forward	1 136	2 015
Appropriations	-	-
Costs recovered	-	-
GST received from ATO	129	215
Other receipts	2 219	1 790
Available for payments	3 484	4 020
GST payments	(147)	(232)
Other payments	(1 703)	(2 652)
Balance available at year end	1 634	1 136
Represented by:		
Cash	1 634	1 136
Total	1 634	1 136

AUSTRALIAN INTERNATIONAL EDUCATION FOUNDATION INTERNATIONAL MARKETING FUND – DEPARTMENTAL

Legal Authority – *Financial Management and Accountability Act 1997*, section 20

Purpose – to provide a source of finance to resource the international marketing of Australian education and training services

	2002-03	2001-02
	\$'000	\$'000
Balance carried forward	4 109	3 947
Appropriations	-	-
GST received from ATO	16	63
ANTA contribution	1 500	1 000
HEFA contribution	5 278	4 947
Other receipts	1 007	1 024
Costs recovered	715	711
Available for payments	12 625	11 692
GST payments	(118)	(254)
Salary payments	(1 510)	(1 012)
Other payments	(8 624)	(6 317)
Balance available at year end	2 373	4 109
Represented by:		
Cash	2 373	4 109
Total	2 373	4 109

Note 28: Special Accounts (cont.)**HIGHER EDUCATION CONTRIBUTION SCHEME – ADMINISTERED**Legal Authority – *Higher Education Funding Act 1988*Purpose – for making payments under section 61 of the *Higher Education Funding Act 1988*

	2002-03	2001-02
	\$'000	\$'000
Balance carried forward	-	-
Appropriations	999 712	832 585
Costs recovered	-	-
Other receipts	748 587	720 043
Available for payments	1 748 299	1 552 628
Payments made	(1 748 299)	(1 552 628)
Balance available at year end	-	-
Represented by:		
Appropriation Receivable	-	-
Total	-	-

FEDERATION FUND RESERVE – ADMINISTEREDLegal Authority – *Financial Management and Accountability Act 1997*, section 20

Purpose – to fund projects of national significance to mark the centenary of federation

	2002-03	2001-02
	\$'000	\$'000
Balance carried forward	2 050	4 000
Appropriations	-	-
Costs recovered	-	-
Other receipts	-	3 550
Available for payments	2 050	7 550
Payments made	(1 050)	(5 500)
Balance available at year end	1 000	2 050
Represented by:		
Appropriation Receivable	1 000	2 050
Total	1 000	2 050

Note 28: Special Accounts (cont.)

COMCARE SPECIAL PUBLIC MONEY

Legal Authority – *Financial Management and Accountability Act 1997*, section 20

Purpose – Comcare compensation moneys held in trust for employees

	2002-03	2001-02
	\$'000	\$'000
Balance carried forward	383	-
Receipts during the year	327	383
Available for payments	710	383
Payments made	674	-
Balance available at year end	36	383

ITEMS RECORDED AS SPECIAL ACCOUNTS IN 2001-02

During 2002-03, one special account was identified as not having the appropriate Determination as required by section 20 of the *Financial Management and Accountability Act 1997* (FMA Act). This was the Superannuation Productivity Benefits ATAS Tutors account. The Department of Education, Science and Training has treated this account as a “special account” since 1 July 1999, notwithstanding that this account did not have the appropriate Determination. The absence of a Determination made by the Minister of Finance under section 20 of the FMA Act means that the account does not legally exist. The Department had recorded and reported payments against this special account in previous years. While the payments made have now been correctly recorded and disclosed against another appropriation, the Department of Education Science and Training was in breach of section 48 of the FMA Act as the accounts and records for those payments were not kept in a way that ensured that monies were only expended for the purpose and within the limit of an appropriation. The total value of payments made from these accounts from 1 July 1999 to 30 June 2002 was \$18,000. Payments made in 2002-03 were \$2,000.

Note 29: Reporting of Outcomes and Outputs

The Department uses an EXCEL based costing system to determine the attribution of its shared items. The system is based on the results of a quarterly survey identifying the Departmental resources required to deliver each output.

Table A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Total	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Administered expenses	6 266 452	6 050 669	6 654 267	6 056 604	444 122	367 062	13 364 841	12 474 335
Departmental expenses	88 195	69 978	104 273	102 527	59 608	58 239	252 076	230 744
Total expenses	6 354 647	6 120 647	6 758 540	6 159 131	503 730	425 301	13 616 917	12 705 079
Costs recovered from provision of goods and services to the non-government sector								
Administered	-	-	-	-	-	-	-	-
Departmental	-	-	-	-	1 421	1 605	1 421	1 605
Total costs recovered	-	-	-	-	1 421	1 605	1 421	1 605
Other external revenues								
Administered	3 621	2 269	288 407	300 662	663	503	292 691	303 434
Departmental	1 597	1 601	1 888	2 401	5 705	6 285	9 190	10 287
Total other external revenues	5 218	3 870	290 295	303 063	6 368	6 788	301 881	313 721
Net cost/(contribution) of outcome	6 349 430	6 116 777	6 468 245	5 856 068	495 941	416 908	13 313 615	12 389 753

Outcomes 1, 2 and 3 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Usage Charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

Note 29: Reporting of Outcomes and Outputs (cont.)

Table B: Major Departmental Revenues and Expenses by Output Groups and Outputs

	Programme Administration 2002-03 \$'000	Policy Advising 2002-03 \$'000	Ministerial & Parliamentary Services 2002-03 \$'000	Research Analysis and Evaluation 2002-03 \$'000	Service delivery 2002-03 \$'000	Output Group Total 2002-03 \$'000	Output Group Total 2001-02 \$'000
Outcome 1							
Output Group 1.1							
Departmental expenses							
Employees	1 843	546	560	556	-	3 505	4 023
Suppliers	2 300	682	698	695	-	4 375	5 131
Other	256	76	78	76	-	486	639
Total departmental expenses	4 399	1 304	1 336	1 327	-	8 366	9 793
Funded by							
Revenues from Government	4 017	1 191	1 220	1 212	-	7 640	8 966
Other	197	58	60	59	-	374	194
Total departmental revenues	4 214	1 249	1 280	1 271	-	8 014	9 160
Output Group 1.2							
Departmental expenses							
Employees	16 542	3 016	1 284	944	5 326	27 112	19 305
Suppliers	20 640	3 762	1 602	1 176	6 646	33 826	24 625
Other	2 286	419	179	131	739	3 764	3 066
Total departmental expenses	39 478	7 197	3 065	2 251	12 711	64 702	46 996
Funded by							
Revenues from Government	36 050	6 572	2 799	2 055	11 607	59 083	44 577
Other	1 769	323	137	101	570	2 900	939
Total departmental revenues	37 819	6 895	2 936	2 156	12 177	61 983	45 516

Note 29: Reporting of Outcomes and Outputs (cont.)

Table B: Major Departmental Revenues and Expenses by Output Groups and Outputs

	Programme Administration		Outputs			Service delivery	Output Group Total	Output Group Total
	2002-03	\$'000	Policy Advising	2002-03	Ministerial & Parliamentary Services			
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Output Group 1.3								
Departmental expenses								
Employees	2 852	1 643	700	1 145	-	-	6 340	5 418
Suppliers	3 559	2 051	873	1 425	-	-	7 908	6 911
Other	396	228	97	159	-	-	880	861
Total departmental expenses	6 807	3 922	1 670	2 729	-	-	15 128	13 190
Funded by								
Revenues from Government	6 216	3 581	1 525	2 492	-	-	13 814	16 074
Other	305	176	75	122	-	-	678	258
Total departmental revenues	6 521	3 757	1 600	2 614	-	-	14 492	16 332
Outcome 2								
Output Group 2.1								
Departmental expenses								
Employees	10 143	3 232	1 629	2 079	3 917	3 917	21 000	18 331
Suppliers	12 656	4 033	2 032	2 592	4 887	4 887	26 200	23 384
Other	1 407	449	226	288	543	543	2 913	2 912
Total departmental expenses	24 206	7 714	3 887	4 959	9 347	9 347	50 113	44 627
Funded by								
Revenues from Government	22 104	7 044	3 549	4 528	8 535	8 535	45 760	47 600
Other	1 085	346	174	222	419	419	2 246	897
Total departmental revenues	23 189	7 390	3 723	4 750	8 954	8 954	48 006	48 497

Note 29: Reporting of Outcomes and Outputs (cont.)

Table B: Major Departmental Revenues and Expenses by Output Groups and Outputs

	Programme Administration	Outputs				Output Group Total	Output Group Total
		Policy Advising	Ministerial & Parliamentary Services	Research Analysis and Evaluation	Service delivery		
	2002-03	2002-03	2002-03	2002-03	2002-03	2001-02	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Output Group 2.2							
Departmental expenses							
Employees	6 920	2 451	1 310	773	-	11 454	
Suppliers	8 635	3 058	1 635	965	-	14 293	
Other	960	340	182	107	-	1 589	
Total departmental expenses	16 515	5 849	3 127	1 845	-	27 336	
Funded by							
Revenues from Government	15 081	5 341	2 855	1 685	-	24 962	
Other	740	262	140	83	-	1 225	
Total departmental revenues	15 821	5 603	2 995	1 768	-	26 187	
Output Group 2.3							
Departmental expenses							
Employees	4 803	1 074	487	355	4 520	11 239	
Suppliers	5 993	1 341	608	443	5 640	14 025	
Other	667	149	68	49	627	1 560	
Total departmental expenses	11 463	2 564	1 163	847	10 787	26 824	
Funded by							
Revenues from Government	10 468	2 341	1 062	773	9 850	24 155	
Other	514	115	52	38	483	1 202	
Total departmental revenues	10 982	2 456	1 114	811	10 333	25 696	

Note 29: Reporting of Outcomes and Outputs (cont.)

Table B: Major Departmental Revenues and Expenses by Output Groups and Outputs

	Programme Administration		Outputs			Service delivery	Output Group Total	Output Group Total
	2002-03	\$'000	Policy Advising	Ministerial & Parliamentary Services	Research Analysis and Evaluation			
		\$'000	2002-03	2002-03	2002-03	\$'000	\$'000	\$'000
Output Group 2.4								
Departmental expenses								
Employees	-	-	-	-	-	-	-	3 089
Suppliers	-	-	-	-	-	-	-	3 941
Other	-	-	-	-	-	-	-	490
Total departmental expenses	-	-	-	-	-	-	-	7 520
Funded by								
Revenues from Government	-	-	-	-	-	-	-	5 034
Other	-	-	-	-	-	-	-	242
Total departmental revenues	-	-	-	-	-	-	-	5 276
Outcome 3								
Output Group 3.1								
Departmental expenses								
Employees	232	87	106	97	899	1 421	2 070	
Suppliers	290	109	132	121	1 122	1 774	2 640	
Other	32	12	14	14	125	197	328	
Total departmental expenses	554	208	252	232	2 146	3 392	5 038	
Funded by								
Revenues from Government	506	190	230	212	1 960	3 098	2 135	
Other	104	39	47	44	404	638	2 820	
Total departmental revenues	610	229	277	256	2 364	3 736	4 955	

Note 29: Reporting of Outcomes and Outputs (cont.)

Table B: Major Departmental Revenues and Expenses by Output Groups and Outputs

	Programme Administration		Outputs				Output Group Total	Output Group Total
	2002-03	2002-03	Policy Advising	Ministerial & Parliamentary Services	Research Analysis and Evaluation	Service delivery		
	\$'000	\$'000	2002-03	2002-03	2002-03	2002-03	2001-02	
			\$'000	\$'000	\$'000	\$'000	\$'000	
Output Group 3.2								
Departmental expenses								
Employees	2 535	2 800		1 662	1 126	-	3 890	
Suppliers	3 163	3 494		2 074	1 405	-	4 961	
Other	351	389		231	157	-	618	
Total departmental expenses	6 049	6 683		3 967	2 688	-	9 469	
Funded by								
Revenues from Government	5 524	6 103		3 623	2 456	-	11 337	
Other	1 138	1 257		745	505	-	188	
Total departmental revenues	6 662	7 360		4 368	2 961	-	11 525	
Output Group 3.3								
Departmental expenses								
Employees	9 712	1 929		1 095	2 695	-	17 965	
Suppliers	12 119	2 407		1 367	3 363	-	22 915	
Other	1 348	268		152	373	-	2 852	
Total departmental expenses	23 179	4 604		2 614	6 431	-	43 732	
Funded by								
Revenues from Government	21 166	4 204		2 387	5 875	-	26 415	
Other	4 359	865		492	1 210	-	11 800	
Total departmental revenues	25 525	5 069		2 879	7 085	-	38 215	

Note 29: Reporting of Outcomes and Outputs (cont.)
Table C: Major Classes of Administered Revenues and Expenses by Outcome

	Outcome 1		Outcome 2		Outcome 3		Total	
	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000	2002-03 \$'000	2001-02 \$'000
Administered revenues								
Other	3 621	2 269	288 407	300 662	663	503	292 691	303 434
Total administered revenues	3 621	2 269	288 407	300 662	663	503	292 691	303 434
Administered expenses								
Subsidies	7 929	8 009	446 644	377 126	0	-	454 573	385 135
Personal benefits	122 976	106 327	193 813	173 916	8	174	316 797	280 417
Grants	6 076 286	5 884 462	5 323 742	4 948 312	439 193	362 513	11 839 221	11 195 287
Suppliers	59 227	51 719	195 639	200 324	4 921	4 300	259 788	256 343
Other	34	152	494 428	356 926	0	75	494 462	357 153
Total administered expenses	6 266 452	6 050 669	6 654 267	6 056 604	444 122	367 062	13 364 841	12 474 335