



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

COMMUNITY RELATIONS COMMISSION FOR A MULTICULTURAL NSW

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Community Relations Commission for a Multicultural NSW:

- (a) presents fairly the Commission's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 45E of the Public Finance and Audit Act 1983 (the Act).

The opinion should be read in conjunction with the rest of this report.

The Chairman's Role

The financial report is the responsibility of the Chairman of the Community Relations Commission for a Multicultural NSW. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the program statement - expenses and revenues, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Public Finance and Audit Act 1983, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides reasonable assurance to Members of the New South Wales Parliament that the financial report is free of material misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Chairman in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does not guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Chairman had failed in his reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Community Relations Commission for a Multicultural NSW,

- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



M P Abood CPA
Director of Audit

SYDNEY
20 October 2003

FINANCIAL STATEMENTS
COMMUNITY RELATIONS COMMISSION
FOR A MULTICULTURAL NEW SOUTH WALES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Statement by Department Head

Pursuant to provisions of Public Finance and Audit Act 1983, I state that:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Public Finance and Audit Regulations 2000 and Treasurer's Directions.
- b) The financial statements presents fairly the financial position and the results of the operations of the Community Relations Commission, and
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Stepan Kerkyasharian, AM
Chairperson

17 October 2003

**COMMUNITY RELATIONS COMMISSION FOR A MULTICULTURAL NSW
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Actual 2003 \$'000	Budget 2003 \$'000	Actual 2002 \$'000
Expenses				
Operating Expenses				
Employee Related	2a	10,309	9,325	9,689
Other Operating Expenses	2b	2,593	2,351	1,986
Maintenance		57	24	46
Depreciation	2c	431	318	590
Grants and Subsidies	2d	1,580	1,546	1,502
Total Expenses		14,970	13,564	13,813
Less:				
Retained Revenue				
Sale of goods and services	3a	3,341	2,892	3,066
Investment income	3b	76	75	62
Grants and contribution	3c	319	-	207
Other revenue	3d	149	94	111
Total Retained Revenue		3,885	3,061	3,446
Gain/(Loss) on disposal of non-current assets	4	(4)	-	-
Net Cost of Services		11,089	10,503	10,367
Government Contributions				
Recurrent appropriation	6	9,635	9,635	9,349
Capital appropriation	6	1,493	1,493	748
Acceptance by the Crown Entity of employee benefits and other liabilities	7	1,340	890	1,052
Total Government Contributions		12,468	12,018	11,149
SURPLUS/(DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		1,379	1,515	782
TOTAL REVENUES AND EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	16	1,379	1,515	782

The accompanying notes form part of these financial statements

**COMMUNITY RELATIONS COMMISSION FOR A MULTICULTURAL NSW
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

	Notes	Actual 2003 \$'000	Budget 2003 \$'000	Actual 2002 \$'000
ASSETS				
Current Assets				
Cash	9	2,697	2,045	2,153
Receivables	10	721	1,505	974
Total Current Assets		3,418	3,550	3,127
Non-Current Assets				
Plant & Equipment	11	2,401	2,443	1,267
Total Non-Current Assets		2,401	2,443	1,267
Total Assets		5,819	5,993	4,394
LIABILITIES				
Current Liabilities				
Payables	13	1,378	1,227	1,298
Provisions	14	481	591	436
Other	15	-	79	79
Total Current Liabilities		1,859	1,897	1,813
Total Liabilities		1,859	1,897	1,813
Net Assets		3,960	4,096	2,581
EQUITY				
Accumulated funds	16	3,960	4,096	2,581
Total Equity		3,960	4,096	2,581

The accompanying notes form part of these financial statements

**COMMUNITY RELATIONS COMMISSION FOR A MULTICULTURAL NSW
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Actual 2003 \$'000	Budget 2003 \$'000	Actual 2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee Related		(9,330)	(8,884)	(9,252)
Grants and Subsidies		(1,537)	(1,546)	(1,866)
Other		(3,208)	(2,795)	(1,606)
Total Payments		<u>(14,075)</u>	<u>(13,225)</u>	<u>(12,724)</u>
Receipts				
Sale of goods and services		3,556	2,445	3,339
Interest received		73	70	66
Other revenue		948	514	69
Total Receipts		<u>4,577</u>	<u>3,029</u>	<u>3,474</u>
Cash Flows from Government				
Recurrent appropriation		9,635	9,635	9,349
Capital appropriation		1,493	1,493	748
Cash reimbursement from the crown entity		540	453	446
Cash transfers to the Consolidated Fund		(79)	-	(109)
Net Cash Flows From Government	20	<u>11,589</u>	<u>11,581</u>	<u>10,434</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES		<u>2,091</u>	<u>1,385</u>	<u>1,184</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Plant and Equipment		(1,547)	(1,493)	(905)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(1,547)</u>	<u>(1,493)</u>	<u>(905)</u>
NET INCREASE/(DECREASE) IN CASH				
Opening cash and cash equivalents	9	2,153	2,153	1,874
CLOSING CASH AND CASH EQUIVALENTS	9	<u>2,697</u>	<u>2,045</u>	<u>2,153</u>

The accompanying notes form part of these financial statements

Program statement - Expenses and Revenue for the Year Ended 30 June 2003

AGENCY'S EXPENSES & REVENUES	Program 1 *		Program 2 *		Not Attributable		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
Expenses								
Operating Expenses								
Employee Related	4,004	3,554	6,305	6,135	-	-	10,309	9,689
Other Operating Expenses	1,989	1,441	604	545	-	-	2,593	1,986
Maintenance	54	45	3	1	-	-	57	46
Depreciation	313	483	118	107	-	-	431	590
Grants and Subsidies	1,580	1,502	-	-	-	-	1,580	1,502
Total Expenses	7,940	7,025	7,030	6,788	-	-	14,970	13,813
Retained Revenue								
Sale of goods and services	51	73	3,290	2,993	-	-	3,341	3,066
Investment income	76	62	-	-	-	-	76	62
Grants and contribution	319	207	-	-	-	-	319	207
Other revenue	149	92	-	19	-	-	149	111
Total Retained Revenue	595	434	3,290	3,012	-	-	3,885	3,446
Gain/(Loss) on disposal of non-current assets	(4)	-	-	-	-	-	(4)	-
Net Cost of Services	7,349	6,591	3,740	3,776	-	-	11,089	10,367
Government Contributions **					12,468	11,149	12,468	11,149
NET EXPENDITURE/(REVENUE) FOR THE YEAR	7,349	6,591	3,740	3,776	(12,468)	(11,149)	(1,379)	(782)

* The name and purpose of of each program is summarised in note 8.

** Appropriation are made on an agency basis and not to the individual program. Consequently, government contributions are included in the "Not attributable" column.

Summary of Compliance with Financial Directives

	2003				2002			
	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000
ORIGINAL BUDGET APPROPRIATION/ EXPENDITURE Appropriation Act	9,635	9,635	1,493	1,493	9,349	9,349	748	748
	9,635	9,635	1,493	1,493	9,349	9,349	748	748
OTHER APPROPRIATIONS/ EXPENDITURE Transfer from another agency	-	-	-	-	-	-	-	-
Total Appropriation/Expenditure/ Net Claim on Consolidated Fund	9,635	9,635	1,493	1,493	9,349	9,349	748	748
Amount drawn down against Appropriation		9,635		1,493		9,428		748
Liability to Consolidated Fund *		-		-		79		-

The Summary of Compliance is based on the assumption that Consolidated Fund moneys are spent first.

* This represents the difference between the "Amount Drawn down against Appropriation" and the "Total Expenditure/Net Claim on the Consolidated Fund".

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Community Relations Commission for a multicultural New South Wales, as a reporting entity, comprises all the activities under its control, including the Commission's commercial activities, namely: Interpreting and Translating Services.

The reporting entity is consolidated as part of NSW Total State Sector Accounts.

b) Basis of Accounting

The Commission's financial statements are general purpose financial reports which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the *Public Finance and Audit Act* and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncement of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

The financial statements are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

c) Administered Activities

The Commission does not administer any activities on behalf of the Crown Entity.

d) Revenue Recognition

Revenue is recognised when the Commission has control of goods or right to receive, it is probable that the economic benefits will flow to the Commission and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

i) Parliamentary Appropriation and Contributions from Other Bodies

Parliamentary appropriation and contributions from other bodies (including grants and donations) are generally recognised as revenue when the Commission obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in note 15 as part of 'Current liabilities – Other'.

ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services i.e. user charges. User charges are recognised as revenue when the agency obtains control of the assets that result from them.

iii) Investment Income

Interest revenue is recognised as it accrues.

e) Employee Benefits

i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and vesting sick leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

ii) Accrued Salaries and wages – reclassification

As a result of the adoption of Accounting Standard AASB1044 “Provisions, Contingent Liabilities and Contingent Assets”, accrued salaries and wages and on-costs has been reclassified to “payables” instead of “provisions” in the Statement of Financial Position and the related note disclosures, for the current and comparative period. On the face of the Statement of Financial Position and in the notes, reference is now made to “provisions” in place of “employee entitlements and other provisions”. Total employee benefits (including accrued salaries and wages) are reconciled in Note 14 “Provisions”.

iii) Long Service Leave and Superannuation

The Commission’s liabilities for long service leave and superannuation are assumed by the Crown Entity. The Commission accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as “Acceptance by the Crown Entity of employee benefits and other liabilities”.

Long service leave has been determined using the present value methodology. The present value method is based on the Government Actuary calculations and as stipulated in the NSW TC 03/08 ‘LSL Pool – Accounting for Long Service Leave’.

The superannuation expense for the financial year is determined by using the formula specified in the Treasurer’s Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees’ salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees’ superannuation contributions.

f) Insurance

The Commission’s insurance activities are conducted through the NSW Treasury Managed fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

g) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Commission as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

h) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Commission. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

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.

Fair value means the amount for which an asset could be exchanged between a knowledgeable willing seller in an arm's length transaction.

i) Plant and Equipment

Plant and Equipment costing \$1,000 and above individually are capitalised.

j) Depreciation of Non-Current Physical Assets

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Commission.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives, including those components that in effect represent major periodic maintenance.

<u>Description</u>	<u>Estimated Useful Life</u>
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fittings	5 years
Leasehold Improvements	Unexpired of term of lease at the date of execution.

k) Maintenance and Repairs

The costs of maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

l) Leased Assets

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 the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. The Community Relations Commission of New South Wales currently has no finance lease arrangements.

Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

m) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

n) Other Assets

Other assets including prepayment are recognised on a cost basis.

o) Payables

These amounts represent liabilities for goods and services provided to the Commission and other amounts.

p) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year with any adjustments for the effects of additional appropriations, s21A, s24 and/or s26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Statement of Financial Performance and Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts i.e. per the audited financial statements (rather than carried forward estimates).

q) Grants Expenditure

Applications for grants are made throughout the year. A liability to successful applicant is recognised as at the date of Ministerial approval (refer note 13).

2 EXPENSES

(a) Employee related expenses	2003	2002
	\$'000	\$'000
Salaries & wages (including recreation leave)	8,376	8,055
Superannuation	941	741
Long Service Leave	345	264
Workers compensation insurance	72	57
Payroll tax and fringe benefit tax	575	572
	<u>10,309</u>	<u>9,689</u>
(b) Other operating expenses	2003	2002
	\$'000	\$'000
Auditors remuneration		
-audit or review of the financial reports	41	35
Operating lease rental expenditure		
- minimum lease payments	633	593
Insurance	26	26
Other		
Travel	180	136
Fees to contractors	298	216
Fees for services/general expenses	136	91
Other running expenses	1,279	889
	<u>2,593</u>	<u>1,986</u>
(c) Depreciation	2003	2002
	\$'000	\$'000
Plant and equipment	<u>431</u>	<u>590</u>

The current year's expense include \$119,859 amount relating to the accelerated depreciation of the Building Improvements at Ashfield. The Lease contract for the Ashfield office expired on the 31 December 2002 and the Commission was relocated to Castlereagh Street premises.

(d) Grants and subsidies	2003	2002
	\$'000	\$'000
Community Development Program	1,074	1,012
Community outreach	153	179
NAATI	152	148
Community Partnership Scheme	201	163
	<u>1,580</u>	<u>1,502</u>

3 REVENUES	2003	2002
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(a) Sale of goods and services	2003	2002
	\$'000	\$'000
Rendering of services		
Interpreting	1,658	1,819
Translating	1,632	1,174
Community Language Allowance Scheme	14	3
Multicultural Marketing Awards	37	70
	<u>3,341</u>	<u>3,066</u>

(b) Investment Income	2003	2002
	\$'000	\$'000
Interest	<u>76</u>	<u>62</u>

(c) Grants and Contributions	2003	2002
	\$'000	\$'000
Grants from other agencies	<u>319</u>	<u>207</u>

This year's grants were from Premier's Department for Arabic Youth Partnership Project, Caterbury-Bankstown Community Harmony Round Table, Pacific Island Communities Fono and from Department of Sport and Recreation for Cross Cultural Training Program.

(d) Other Revenue	2003	2002
	\$'000	\$'000
Returned/Forfeited Grants	8	62
Miscellaneous Income	141	49
	<u>149</u>	<u>111</u>

4 GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2003 \$'000	2002 \$'000
<u>Plant and Equipment</u>		
Proceeds from disposal	-	-
Written down value	4	-
Net gain/(loss) on disposal of Plant & Equipment	<u>(4)</u>	<u>-</u>

5 CONDITIONS ON CONTRIBUTIONS

The Commission did not receive any conditional contributions from third parties in 2002-03.

6 APPROPRIATIONS

	2003 \$'000	2002 \$'000
Recurrent Appropriations		
Total recurrent drawdown from Treasury (per Summary of Compliance)	9,635	9,428
Less: Liability to Consolidated fund (per Summary of Compliance)		(79)
	<u>9,635</u>	<u>9,349</u>
Comprising:		
Recurrent appropriation (per Statement of Financial Performance)	<u>9,635</u>	<u>9,349</u>
Capital Appropriations		
Total Capital drawdown from Treasury (per Summary of Compliance)	1,493	748
Less: Liability to Consolidated fund (per Summary of Compliance)		-
	<u>1,493</u>	<u>748</u>
Comprising:		
Capital appropriation (per Statement of Financial Performance)	<u>1,493</u>	<u>748</u>

**7 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS
AND OTHER LIABILITIES**

The following liabilities and/or expenses have been assumed by the Crown Entity

	2003	2002
	\$'000	\$'000
Superannuation	942	741
Long Service Leave		
Casual interpreters and translators	50	94
Others	295	170
Payroll Tax	53	47
	<u>1,340</u>	<u>1,052</u>

8 PROGRAMS ACTIVITIES OF THE AGENCY

Program 1: Community Support Services

To promote the equal rights and responsibilities of all the people of New South Wales within a cohesive and harmonious multicultural society.

Program 2: Interpreting & Translation Service

To promote full participation of people of ethnic background in community life.
To ensure the quality and efficient use of interpreting and translation service within the State.

9 CURRENT ASSETS - CASH

	2003	2002
	\$'000	\$'000
Cash at Bank and on hand	<u>2,697</u>	<u>2,153</u>

There are no other items that constitute cash equivalents for the statement of cash flows purposes

10 CURRENT ASSETS - RECEIVABLES

	2003	2002
	\$'000	\$'000
Sale of goods and services	492	426
Other Debtors		
Interest	34	31
Prepaid expenses	4	123
Accrued Income	128	49
GST Receivable from ATO	32	77
Other receivables	47	295
Sub-Total	<u>737</u>	<u>1,001</u>
Less - Provision for Doubtful Debts	<u>(16)</u>	<u>(27)</u>
	<u>721</u>	<u>974</u>

11 NON CURRENT ASSETS - PLANT AND EQUIPMENT

	2003	2002
	\$'000	\$'000
Plant and Equipment		
At Cost	<u>3,425</u>	<u>2,662</u>
Accumulated Depreciation	<u>1,024</u>	<u>1,395</u>
Total Plant and Equipment At Net Book Value	<u><u>2,401</u></u>	<u><u>1,267</u></u>

Work-in-progress amounting to \$793,496.19 (2002: \$591,282.90) is included in the carried amount of Property Plant and Equipment .

Reconciliation	2003	2002
	\$'000	\$'000
Carrying Amount at the start of the year	1,267	1,054
Additions	1,569	905
Disposals	(806)	(526)
Depreciation Expenses	(431)	(590)
Write back on disposals	<u>802</u>	<u>424</u>
Carrying Amount at the end of the year	<u><u>2,401</u></u>	<u><u>1,267</u></u>

12. RESTRICTED ASSETS

The Commission had no restricted assets in 2002-2003.

13 CURRENT LIABILITIES - PAYABLES	2003	2002
	\$'000	\$'000
Accrued Salaries & Wages	569	448
Creditors	21	107
Accrued Payroll Tax	177	167
Other accruals	343	382
	1,110	1,104
Accrued grants		
Community partnership scheme	26	89
Community outreach	60	67
Community development	182	38
	268	194
Total Current Liabilities - Payables	1,378	1,298
14 CURRENT LIABILITIES - PROVISIONS	2003	2002
	\$'000	\$'000
Recreation Leave	481	436
Total Provisions	481	436
Aggregate employee benefits and related on-costs		
Provisions - current	481	436
Accrued salaries, wages and on-costs (Note 13)	749	617
	1,230	1,053
15 CURRENT LIABILITIES - OTHER	2003	2002
	\$'000	\$'000
Liability to Consolidated Fund	-	79
	-	79
16 CHANGES IN EQUITY	2003	2002
	\$'000	\$'000
Balance at the beginning of the financial year	2,581	1,799
<u>Changes in equity - other than transactions with owners as owners</u>		
Surplus/(deficit) for the year	1,379	782
Balance at the end of the financial year	3,960	2,581

17 COMMITMENT FOR EXPENDITURE	2003	2002
	\$'000	\$'000

(a) Operating lease commitment

Future non-cancellable operating lease rentals not provided for and payable

Not later than one year	532	315
Later than one year and not later than five years	2,257	153
Later than five years	308	
Total (including GST)	<u>3,097</u>	<u>468</u>

The total 'operating lease commitments' above includes input tax credits of \$282,000 that are expected to be recoverable from the Australian Taxation Office. GST has been calculated at the rate of 10% and has been assumed to remain constant for the five years calculation above.

The Commission is contractually bound by operating leases for office accommodation and fleet vehicles. Leasehold premises are the Head Office at Castlereagh Street, Sydney and two regional offices located at Wollongong and Newcastle and the fleet vehicle comprise two cars stationed at Sydney.

(b) Capital Commitment

Aggregate capital expenditure for the acquisition of computer hardware and consulting services contracted for at the balance date and not provided for

Not later than one year	-	55
Later than one year and not later than five years	-	-
Later than five years		
Total (including GST)	<u>-</u>	<u>55</u>

18 CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

As at 30 June 2003 the Commission had no contingent liability. (Nil 2001-02).

19 BUDGET REVIEW

(a) Net Cost of Services

The actual net cost of services was higher than budget by \$586,000, this was primarily due to accelerated depreciation of the building improvements at Ashfield, additional operating costs associated with the arson attack on the Commissions Ashfield premises and additional Community Support Services projects that were run by the Commission such as the Community Harmony Round Table, Cabramatta City Watch and Hotlines following the Bali terrorist attacks.

(b) Assets and Liabilities

There was not a significant difference between actual and budgeted assets and liabilities.

(c) Cash flows

The increase in net cash flows from operating activities was higher by \$706,000. This is represented primarily by the increase in the sale of language services and other revenue through the receipt of special grants for the Commissions Community Support Services projects

20 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2003	2002
	\$'000	\$'000
Net cash used on operating activities	2,091	1,184
Cash Flows from Government / Appropriations	(11,589)	(10,434)
Acceptance by the Crown Entity of employee benefits and other liabilities	(800)	(606)
Depreciation	(431)	(590)
Provision for doubtful debt	11	(63)
Increase/(decrease) in prepayments and other assets	(264)	336
(Increase)/decrease in creditors	(103)	(94)
Net (loss)/gain on sale of plant and equipment	(4)	(100)
Net Cost of Services	<u>(11,089)</u>	<u>(10,367)</u>

21 FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate adjusted for a management fee to Treasury.

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubts as to collection exists. The credit risk is the carrying amount (net of provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

Bank Overdraft

The Commission does not have any bank overdraft facility.

Trade Creditors and Accruals

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. However, due to the Commission's ability to pay on time, no penalty interest was incurred for late payment during the year.

END OF AUDITED FINANCIAL STATEMENTS