

Statement by Auditor

INDEPENDENT AUDIT REPORT



INDEPENDENT AUDIT REPORT

To the Minister for Environment and Heritage

Scope

I have audited the financial statements of the National Environment Protection Council Service Corporation for the year ended 30 June 2003. The financial statements comprise:

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

The Executive Officer 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 Corporation's financial position, its financial performance and its cash flows.

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

GPO Box 787 CANBERRA ACT 2601
Cornerway House 19 National Circuit
BARTON ACT
Phone (02) 6203 7380 Fax (02) 6203 7777

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies 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 National Environment Protection Council Service Corporation as at 30 June 2003, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



David Crisley
Executive Director

Delegate of the Auditor-General

Canberra
7 October 2003

Statement by Executive 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 *Commonwealth Authorities and Companies Act 1997*.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.



B P Kennedy
Executive Officer

26 September 2003

Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$	2002 \$
REVENUE			
Revenue from ordinary activities			
Investment and other income	4	40 743	42 160
Contributions from state, territory, federal and other jurisdictions	3	1 101 239	1 516 927
Revenue from sale of assets		1 317	320
Total revenues from ordinary activities		<u>1 143 299</u>	<u>1 559 407</u>
EXPENSE			
Expenses from ordinary activities			
Employees		611 810	576 105
Suppliers		686 984	528 411
Depreciation and amortisation		33 649	44 211
Value of assets sold		1 578	–
Total expenses from ordinary activities	5	<u>1 334 021</u>	<u>1 148 727</u>
Net surplus/(deficit)		<u>(190 722)</u>	<u>410 680</u>
<i>Net surplus/(deficit) attributable to state, territory and federal jurisdictions</i>		<u>(190 722)</u>	<u>410 680</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>(190 722)</u>	<u>410 680</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	2003 \$	2002 \$
ASSETS			
Financial assets			
Cash	21	633 361	763 291
Receivables	22	5 939	39 180
<i>Total financial assets</i>		639 300	802 471
Non-financial assets			
Property, plant and equipment	24	56 335	65 418
Other	23	11 750	2 779
<i>Total non-financial assets</i>		68 085	68 197
Total Assets		707 385	870 668
LIABILITIES			
Provisions and payables			
Employees	27	143 221	102 240
Suppliers	26	57 042	44 241
Unearned revenue	28	58 986	85 329
<i>Total provisions and payables</i>		259 249	231 810
Total liabilities		259 249	231 810
NET ASSETS		448 136	638 858
EQUITY			
Accumulated surplus	29	448 136	638 858
Total equity		448 136	638 858
Current assets		651 050	805 250
Non-current assets		56 335	65 418
Current liabilities		239 837	226 376
Non-current liabilities		19 412	5 434

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 \$	2002 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from state, territory, federal and other jurisdictions		1 107 810	1 568 191
Interest received		35 023	34 988
Net GST received		1 050	1 750
Other		6 322	7 834
Total cash received		1 150 205	1 612 763
Cash used			
Employees		(570 829)	(579 238)
Suppliers		(684 359)	(536 796)
Total cash used		(1 255 188)	(1 116 034)
Net cash from operating activities	31	(104 983)	496 729
INVESTING ACTIVITIES			
Cash received			
Proceeds on sale of property, plant and equipment		1 317	200
Cash used			
Purchase of property, plant and equipment		(26 264)	(19 250)
Net cash from investing activities		(24 947)	(19 050)
Net increase/(decrease) in cash held		(129 930)	477 679
Cash at beginning of reporting period		763 291	285 612
Cash at end of reporting period	21	633 361	763 291

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

SCHEDULE OF COMMITMENTS AS AT 30 JUNE 2003

	Notes	2003 \$	2002 \$
BY TYPE			
Other commitments			
Operating leases		318 077	413 422
Total other commitments		318 077	413 422
Commitments receivable			
GST paid on purchases		3 395	4 263
Total commitments receivable		3 395	4 263
Net commitments		314 682	409 159
BY MATURITY			
All net commitments			
One year or less		89 870	91 082
From one to five years		224 812	318 077
Net commitments		314 682	409 159

NB: Commitments are GST inclusive where relevant.

Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Lease of office accommodation	5-year lease agreement effective 1 February 2002
Lease of motor vehicle	9 months remaining, no renewal or purchase options

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

SCHEDULE OF CONTINGENCIES AS AT 30 JUNE 2003

Consistent with the previous financial year, there were nil contingent losses and contingent gains as at 30 June 2003.

SCHEDULE OF ADMINISTERED ITEMS FOR THE YEAR ENDED 30 JUNE 2003

Consistent with the previous financial year, there were nil administered items for the year ended 30 June 2003.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

1.1 Basis of accounting

The Financial Statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the Commonwealth Authorities and Companies (Financial Statements for reporting periods ending on or after 30 June 2003) Orders)
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board
- consensus views of the Urgent Issues Group.

The Financial Statements have been prepared on an accrual basis and are in accordance with historical cost convention. 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 Service Corporation when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are, not recognised however, unless required by an accounting standard.

Revenues and expenses are recognised in the Service Corporation when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The accounting policies used in the preparation of these financial statements are consistent with those used in 2001–2002, except in respect of:

- measurement of certain employee benefits at nominal amounts (refer to Note 1.5)
- the initial revaluation of property plant and equipment on a fair value basis (refer to Note 1.4)
- the imposition of an impairment test for non-current assets carried at cost (refer to Note 1.4).

1.2 Taxation

The National Environment Protection Council Service Corporation is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

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

1.3 Appropriations

Under the accrual budgeting framework, Parliament appropriates money to the NEPC Service Corporation as revenue appropriations.

Appropriations from government are revenues of the core operating activities.

Appropriations for outputs are recognised as revenues to the extent that they have been received into the Corporation's bank account or are entitled to be received by the Corporation at year end. Where a contribution is received for a specific purpose which remains undischarged at year end, the contribution is recognised as a liability, which reflects the present obligation to make a sacrifice of economic benefits to the grantor of the contribution in future.

1.4 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for items costing less than \$500, 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). The \$500 threshold was selected because it facilitates efficient asset management and recording without materially affecting asset values recognised.

The acquisition of property, plant and equipment free of charge or for a nominal amount is recognised initially at fair value.

Revaluations

Leasehold improvements, buildings, infrastructure, plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041, *Revaluation of Non-Current Assets*. Guidelines provide that it is not necessary to conduct valuations where there is no material effect on asset values and on depreciation expense. The NEPC Service Corporation has not obtained formal valuations as the plant and equipment is in the nature of office equipment, the carrying value of which has been assessed to approximate fair value.

Recoverable amount test

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

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

Depreciation and amortisation

Depreciable property plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the NEPC Service Corporation using the straight-line method of depreciation. Leasehold improvements are amortised on a straightline basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Useful lives and residual values 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 and amortisation rates applying to each class of assets are based on the following useful lives:

	2003	2002
Plant and equipment	3–8 years	3–8 years
Leasehold improvements	Lease term	Lease term

1.5 Employee benefits

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, and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of their reporting date are also to be measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This calculation is a change in accounting policy from last year required by initial application of a new Accounting Standard AASB 1028 from 1 July 2002.

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.

Leave

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

The leave liabilities are calculated on the basis of employees' remuneration, including NEPC Service Corporation'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 estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Certain employees of NEPC Service Corporation are members of the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the Financial Statements of the Commonwealth and is settled by the Commonwealth in due course.

Contributions are made by the NEPC Service Corporation to employee superannuation funds at rates determined by the actuary to be sufficient to meet the cost of the Commonwealth of the superannuation entitlements of NEPC Service Corporation's employees.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnights of the year.

For the year ended 30 June 2003, there were eight full-time equivalent employees (eight in 2002).

1.6 Leases

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

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

1.7 Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call in deposits with banks or financial institutions and investments in money market instruments.

1.8 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these Financial Statements.

1.9 Net fair value of financial assets and liabilities

Financial assets

The net fair values of cash and term deposits approximate their carrying values.

The net fair values for trade debtors, all of which are short term in nature, are approximated by their carrying amounts.

Financial liabilities

The net fair values for trade creditors, all of which are short term in nature, are approximated by their carrying amounts.

1.10 Credit risk exposure

The NEPC Service Corporation has no significant exposures to concentrations of credit risk. The maximum exposure to credit risk as at the reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as recognised in the Statement of Financial Position.

1.11 In kind contributions

Each jurisdiction has the option to contribute a portion of its National Environment Protection Measure (NEPM) budget as an in kind contribution. This contribution is in the form of the provision of a NEPM project team member for the NEPC Service Corporation. The amount is calculated per an agreed formula using the median point of the Commonwealth Executive Level salary range plus on costs, which amounts to \$337 per person per day (\$337 in 2002). The income and associated expense are recognised when incurred.

1.12 Outcomes reporting

Outcomes reporting as required by Schedule 1 to the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* is not applicable to the operations of the NEPC Service Corporation.

The NEPC Service Corporation does not submit a portfolio budget statement to the Commonwealth Department of Finance and Administration (DOFA). The budget estimates of NEPC Service Corporation are submitted for approval to the National Environment Protection Council as required by the *National Environment Protection Council Act 1994* (Cwlth) and by the corresponding Acts of each participating jurisdiction.

1.13 Insurance

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

2. Economic Dependency

The NEPC Service Corporation operates under the provisions of the *National Environment Protection Council Act 1994* (Cwlth) and the Intergovernmental Agreement on the Environment. The operations of the NEPC Service Corporation are funded by contributions from the Commonwealth, state and territory governments, which are parties to the agreement. The NEPC Service Corporation is dependent on the continued support of the various parties to the agreement for its continued existence and ability to carry out its normal activities.

3. Contributions From State, Territory, Federal and Other Jurisdictions

	Notes	30 June 2003 \$	30 June 2002 \$
Commonwealth		512 017	823 566
New South Wales		190 290	233 056
Victoria		157 302	175 358
Queensland		94 945	117 686
Western Australia		53 222	66 683
South Australia		59 966	64 918
Tasmania		11 171	17 557
Northern Territory		4 632	6 670
Australian Capital Territory		7 694	11 433
New Zealand		10 000	–
		1 101 239	1 516 927

Under the National Environment Protection Council Act, the National Environment Protection Council approves levels of contributions for each jurisdiction.

4. Investment and Other Income

Interest		35 023	34 432
Other income		5 720	7 728
		40 743	42 160

5. Operating Expenses

Core operating	6	934 844	894 912
Ambient Air Quality NEPM — particles standard variation	7	122 820	78 877
Ambient Air Quality NEPM — particles standard review	8	–	5 442
Ambient Air Quality NEPM — Peer Review Committee	9	2 153	13 643
Ambient Air Quality — time activity study	10	118 880	–
Ambient Air Toxics NEPM	11	107 627	126 865
Diesel Vehicle Emissions NEPM	12	–	3 784
Site Contamination Technical Workshop	13	2 475	19 785
Review of the Movement of Controlled Waste between States and Territories NEPM	14	3 711	–
NEPC Acts Review	15	–	4 341
Diesel emissions preparatory projects	16	–	1 078
EPHC Priority Projects — waste management	17	34 768	–
EPHC Priority Projects — cooperative air quality and health-related studies	18	5 955	–
EPHC Priority Projects — water	19	788	–
Total operating expenses		1 334 021	1 148 727

6. Core Operating Expenses

	30 June 2003	30 June 2002
	\$	\$
Employees	611 810	576 105
Travel and accommodation	29 761	37 173
Consultancy services	41 530	34 390
Communications	29 271	33 661
Suppliers	98 619	82 406
Operating lease	88 626	86 966
Depreciation	33 649	44 211
Value of assets sold	1 578	-
	934 844	894 912

7. Ambient Air Quality NEPM — Particles Standard Variation Expenses

Travel and accommodation	57 200	41 296
Consultancy services	50 110	19 692
Communications	2 333	3 278
Suppliers	13 177	14 611
	122 820	78 877

8. Ambient Air Quality NEPM — Particles Standard Review Expenses

Travel and accommodation	-	3 485
Consultancy services	-	963
Communications	-	652
Suppliers	-	342
		5 442

9. Ambient Air Quality NEPM — Peer Review Committee Expenses

Travel and accommodation	647	1 038
Consultancy services	540	10 570
Communications	546	1 632
Suppliers	420	403
	2 153	13 643

10. Ambient Air Quality NEPM— Time Activity Study Expenses

Consultancy services	118 880	-
	118 880	-

11. Ambient Air Toxics NEPM Expenses

	30 June 2003	30 June 2002
	\$	\$
Travel and accommodation	62 600	76 954
Consultancy services	27 297	32 151
Communications	4 379	3 727
Operating leases	318	–
Suppliers	13 033	14 033
	<u>107 627</u>	<u>126 865</u>

12. Diesel Vehicle Emissions NEPM Expenses

Communications	–	640
Suppliers	–	3 144
	–	<u>3 784</u>

13. Site Contamination Technical Workshop Expenses

Travel and accommodation	–	13 134
Consultancy services	2 475	–
Suppliers	–	6 651
	<u>2 475</u>	<u>19 785</u>

14. Review of the Movement of Controlled Waste between States and Territories NEPM Expenses

Travel and accommodation	2 268	–
Consultancy services	1 348	–
Suppliers	95	–
	<u>3 711</u>	–

15. NEPC Acts Review Expenses

Travel and accommodation	–	(345)
Communications	–	400
Suppliers	–	4 286
	–	<u>4 341</u>

16. Diesel Emissions Preparatory Projects Expenses

Travel and accommodation	–	(740)
Communications	–	1 818
	–	<u>1 078</u>

17. EPHC Priority Projects — Waste Management Expenses

	30 June 2003	30 June 2002
	\$	\$
Travel and accommodation	1 405	–
Consultancy services	30 635	–
Communications	2 343	–
Suppliers	385	–
	34 768	–

18. EPHC Priority Projects — Cooperative Air Quality and Health-Related Studies Expenses

Travel and accommodation	4 535	–
Operating leases	100	–
Communications	1 320	–
	5 955	–

19. EPHC Priority Projects — Water Expenses

Travel and accommodation	788	–
	788	–

20. Total Operating Expenses

Employees	611 810	576 105
Suppliers	686 984	528 411
Depreciation	33 649	44 211
Value of assets sold	1 578	–
	1 334 021	1 148 727

21. Cash

Cash at bank and on hand	333 361	213 291
Term deposits	300 000	550 000
	633 361	763 291

Cash at bank is at call and recognised at its nominal amount. Interest is credited to revenue as it accrues.

There are no interest rates applicable to the financial assets and liabilities of the NEPC Service Corporation other than cash and term deposits. Cash receives interest on the balance at a variable rate. As at 30 June 2003, the applicable rate was 3.55% (3.10% in 2002).

The term deposit is recognised at cost. Interest is accrued as it is earned. The term deposit will mature on 31 July 2003 and earns an effective rate of interest rate of 4.83% on \$300 000 (5.06% on \$550 000 in 2002).

22. Receivables

	30 June 2003	30 June 2002
	\$	\$
Other receivables	2 544	34 924
GST receivable	3 395	4 256
	<u>5 939</u>	<u>39 180</u>
Receivables are aged as follows :		
Not overdue	<u>3 395</u>	<u>4 567</u>
Overdue by:		
Less than 30 days	1 725	34 613
30 to 60 days	–	–
60 to 90 days	781	–
More than 90 days	38	–
	<u>2 544</u>	<u>34 613</u>
	<u>5 939</u>	<u>39 180</u>

These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when the collection of debts are judged to be less rather than more likely to be collected. Management does not consider a provision for doubtful debts necessary as at balance date. Credit terms are net thirty days.

23. Other Non Financial Assets

Prepayments	10 675	686
Accrued income	1 075	2 093
	<u>11 750</u>	<u>2 779</u>

24. Property (Leasehold Improvements), Plant and Equipment

Plant and equipment		
Office furniture and equipment — at cost	334 168	323 424
Less: accumulated depreciation	(277 833)	(258 006)
	<u>56 335</u>	<u>65 418</u>
Property (leasehold improvements)		
Leasehold improvements — at cost	75 685	75 685
Less: accumulated depreciation	(75 685)	(75 685)
	<u>–</u>	<u>–</u>
Total property (leasehold improvements) plant and equipment	<u>56 335</u>	<u>65 418</u>

Plant and equipment and leasehold improvements have not been revalued as at 30 June 2003. They will therefore be revalued in the year ended 30 June 2004.

Depreciation expense for the year	<u>33 649</u>	<u>44 211</u>
-----------------------------------	---------------	---------------

25. Analysis of Property, Plant and Equipment

	30 June 2003 \$	30 June 2002 \$
Gross book value as at 1 July	399 110	382 281
Accumulated depreciation	333 692	291 903
Net book value as at 1 July	65 418	90 378
Additions	26 264	19 250
Depreciation expense	(33 649)	(44 211)
Disposals	(15 521)	2 421)
Gross book value as at 30 June	409 853	399 109
Accumulated depreciation 30 June	353 518	333 691
Net book value 30 June	56 335	65 418

26. Payables

Trade creditors	23 262	18 385
GST payable	268	86
Accrued expenses	33 512	25 770
	57 042	44 241

Creditors and accruals are recognised at their nominal amounts, these being the amounts at which the liabilities will be settled. Settlement varies with the creditors' terms, which are between 7–30 days.

27. Provisions

Current		
Annual leave	52 811	43 740
Accrued salaries and wages	36 134	29 562
Long service leave	34 864	23 504
	123 809	96 806
Non-current		
Long service leave	19 412	5 434
Aggregate employee benefit liability	143 221	102 240

28. Unearned Revenue

Current debt		
Prepaid contributions	58 986	85 329
Total unearned revenue	58 986	85 329

29. Equity

Accumulated surplus at beginning of reporting period	638 858	228 178
Net surplus/(deficit)	(190 722)	410 680
Accumulated surplus at end of reporting period	448 136	638 858

30. Cash Flows from Operating Activities

	30 June 2003 \$	30 June 2002 \$
Inflows		
Receipts from state, territory and federal jurisdictions	1 107 810	1 568 191
Interest received	35 023	34 988
GST credits received	61 165	61 156
Other	6 322	7 834
	1 210 320	1 672 169
Outflows		
<i>Core operating activities</i>		
Employees	(570 829)	(579 238)
Travel and accommodation	(27 157)	(47 764)
Rent	(88 592)	(95 635)
Consultancy services	(40 242)	(34 308)
Communications	(28 632)	(34 882)
Suppliers	(152 719)	(124 845)
	(908 171)	(916 672)
<i>Ambient Air Quality NEPM — particles standard variation</i>		
Travel and accommodation	(69 748)	(27 909)
Consultancy services	(50 110)	(19 692)
Communications	(2 435)	(3 168)
Suppliers	(14 307)	(13 481)
	(136 600)	(64 250)
<i>Ambient Air Quality NEPM — particles standard review</i>		
Travel and accommodation	–	(10 267)
Consultancy services	–	(963)
Communications	–	(652)
Suppliers	–	(384)
	–	(12 266)
<i>Ambient Air Quality NEPM — Peer Review Committee</i>		
Travel and accommodation	(686)	(1 000)
Consultancy services	(540)	(10 570)
Communications	(546)	(2 840)
Suppliers	(419)	(403)
	(2 191)	(14 813)
<i>Ambient Air Quality NEPM — time activity study</i>		
Consultancy services	(118 880)	–
	(118 880)	–

30. Cash Flows from Operating Activities (continued)

	30 June 2003 \$	30 June 2002 \$
<i>Ambient Air Toxics NEPM</i>		
Travel and accommodation	(71 340)	(68 578)
Consultancy services	(27 298)	(32 151)
Communications	(4 435)	(3 644)
Operating leases	(318)	–
Suppliers	(2 347)	(14 033)
	<u>(105 738)</u>	<u>(118 406)</u>
<i>Diesel Vehicle Emissions NEPM</i>		
Travel and accommodation	–	(27)
Communications	–	(640)
Suppliers	(107)	(3 037)
	<u>(107)</u>	<u>(3 704)</u>
<i>Site Contamination Technical Workshop</i>		
Travel and accommodation	(1 183)	(11 951)
Consultancy	(1 753)	–
Suppliers	–	(6 651)
	<u>(2 936)</u>	<u>(18 602)</u>
<i>Review of the Movement of Controlled Waste between States and Territories NEPM</i>		
Travel and accommodation	(259)	–
Consultancy services	(1 348)	–
Suppliers	(95)	–
	<u>(1 702)</u>	<u>–</u>
<i>NEPC Acts Review</i>		
Travel and accommodation	–	(35)
Communications	–	(400)
Suppliers	–	(4 286)
	<u>–</u>	<u>(4 721)</u>
<i>Diesel Emissions Preparatory Projects</i>		
Travel and accommodation	–	(136)
Consultancy services	–	(20 000)
Communications	–	(1 870)
	<u>–</u>	<u>(22 006)</u>
<i>EPHC Priority Projects — waste management</i>		
Travel and accommodation	(344)	–
Consultancy services	(30 635)	–
Communications	(2 127)	–
Suppliers	(385)	–
	<u>(33 491)</u>	<u>–</u>

30. Cash Flows from Operating Activities (continued)

	30 June 2003 \$	30 June 2002 \$
<i>EPHC Priority Projects — cooperative air quality and health-related studies</i>		
Travel and accommodation	(4 535)	–
Consultancy services	(100)	–
Communications	(929)	–
	<u>(5 564)</u>	<u>–</u>
<i>EPHC Priority Projects — water</i>		
Travel and accommodation	77	–
	<u>77</u>	<u>–</u>
Net cash from/(used by) operating activities	<u>(104 983)</u>	<u>496 729</u>

31. Reconciliation of Operating Surplus/(Deficit) to Net Cash Provided by/(Used In) Operating Activities

Operating surplus/(deficit)	<u>(190 722)</u>	<u>410 680</u>
Depreciation	33 649	44 211
(Profit)/loss on disposal of non-current assets	261	(200)
(Increase)/decrease in receivables and other assets	24 390	(19 302)
Increase/(decrease) in provisions for employees	40 981	(12 897)
Increase/(decrease) in payables to suppliers	12 801	(11 092)
Increase/(decrease) in provisions for unearned revenue	(26 343)	85 329
Net cash provided by/(used in) operating activities	<u>(104 983)</u>	<u>496 729</u>

32. Remuneration of Auditors

Remuneration to the Auditor-General for auditing the Financial Statements for the reporting period	<u>9 500</u>	<u>9 250</u>
--	--------------	--------------

Auditors' remuneration represents the amount due to the Auditor-General for auditing the Financial Statements for the reporting period and is included within administration expenses above. The Auditor-General provided no other services during the reporting period.

33. Remuneration of Executive Officer

The remuneration of the Executive Officer was within the income band \$140 000 – \$149 999 (\$140 000 – \$149 999 in 2002).

Superannuation is provided for the Executive Officer in accordance with the *Government Employees Superannuation Act 1984* (WA). The amount of superannuation contributions totalled \$12 015 (\$9 094 in 2002).

34. 2003–04 Budget

The National Environment Protection Council has approved the interim budget for 2003–04 of \$907 500 (\$906 200 in 2002–03).

35. Superannuation Commitments

The National Environment Protection Council contributes to several superannuation funds. Employees have the option of choosing a fund providing it is a 'complying superannuation fund' within the meaning of Part IX of the *Income Tax Assessment Act 1936* (Cwlth). The contributions are based on percentage of salary. The range of these percentages has been approved by the Commission in consultation with the Federal Department of Workplace Relations and Small Business.

Contributions in accordance with the *Superannuation (Productivity Benefit) Act 1988* (Cwlth) are made to the Australian Government Employees Superannuation Trust under which members are entitled to benefits on retirement, resignation, death or disability.

The amount of superannuation contributions totalled \$64 100 for the year ended 30 June 2003 (\$64 061 in 2002).

36. Related Party Disclosure

Members of the National Environment Protection Council

The council members during the year were:

Senator The Hon. David Kemp (Chairperson)

The Hon. Bob Debus

The Hon. Sherryl Garbutt (ceased 22/12/2002)

The Hon. John Thwaites (appointed 23/12/2002)

The Hon. Dean Wells

The Hon. Dr Judy Edwards

The Hon. John Hill

The Hon. David Llewellyn (ceased 8/10/2002)

The Hon. Bryan Green (appointed 9/10/2002)

Mr Bill Wood (ceased 22/12/2002)

Mr Jon Stanhope (appointed 23/12/2002)

The Hon. Kon Vatskalis (ceased 20/11/2002)

Dr Chris Burns (appointed 21/11/2002)

The council members received no remuneration from the NEPC Service Corporation.

There were no related party transactions during the year.