



STATEMENT OF PERFORMANCE EXPECTATIONS

1 JULY 2018 TO 30 JUNE 2019

PRESENTED TO THE HOUSE OF REPRESENTATIVES
PURSUANT TO SECTION 149 OF THE CROWN ENTITIES ACT 2004

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Introduction by the Privacy Commissioner

We are continuing to see the benefits of extending our online resources. We are placing emphasis on further developing our online FAQs “AskUs”. Over 20,000 questions have been lodged with AskUs since it was introduced. We are working to expand the range of topics and advice we provide.

AskUs is used by in-house staff as well as the general public. We have begun using an external call centre to respond to calls from the public. One of the reasons this has become feasible is that call centre staff can make use of “AskUs” to provide accurate and high quality responses. More complex matters are referred directly to in-house staff. We also offer an online enquiries form.

Our suite of education modules is growing and receiving good uptake, with recent modules, such as Privacy ABC, proving to be accessible and very popular. A short module on health, Health ABC is due to be completed in coming weeks.

We continue to work on the early resolution of complaints of privacy breaches. We aim to have no more than 10% of files over 6 months old. This can be challenging with fluctuating incoming complaints, but we are committed to swift resolution of disputes wherever possible.

A new Privacy Bill was introduced to Parliament on 20 March 2018. The Bill will repeal the Privacy Act 1993 enacted 25 years ago.

There is an urgent need for privacy law reform. Most existing privacy laws around the world have been reformed in the last three years or are currently being reviewed and updated. Internationally, the most influential is the EU General Data Protection Regulation (GDPR) that affects Europe and many of our key trading partners and will lift baseline standards internationally.

One of the effects of the Privacy Bill’s progression through the House is that the work programme set out for the upcoming July 2018 – June 2019 period will inevitably need to accommodate preparation for the legislative change ahead. We anticipate that the Parliamentary process will demand detailed work from this office in coming months. This transitional work will be managed within existing resources and can be expected to put pressure on our ability to meet KPIs during this time.

In an effort to more accurately reflect our areas of strategic focus, we have begun to look at the external reporting metrics that we use. We have reduced and combined these measures, and will continue to review measures that may be dropped, or redefined.



John Edwards
Privacy Commissioner

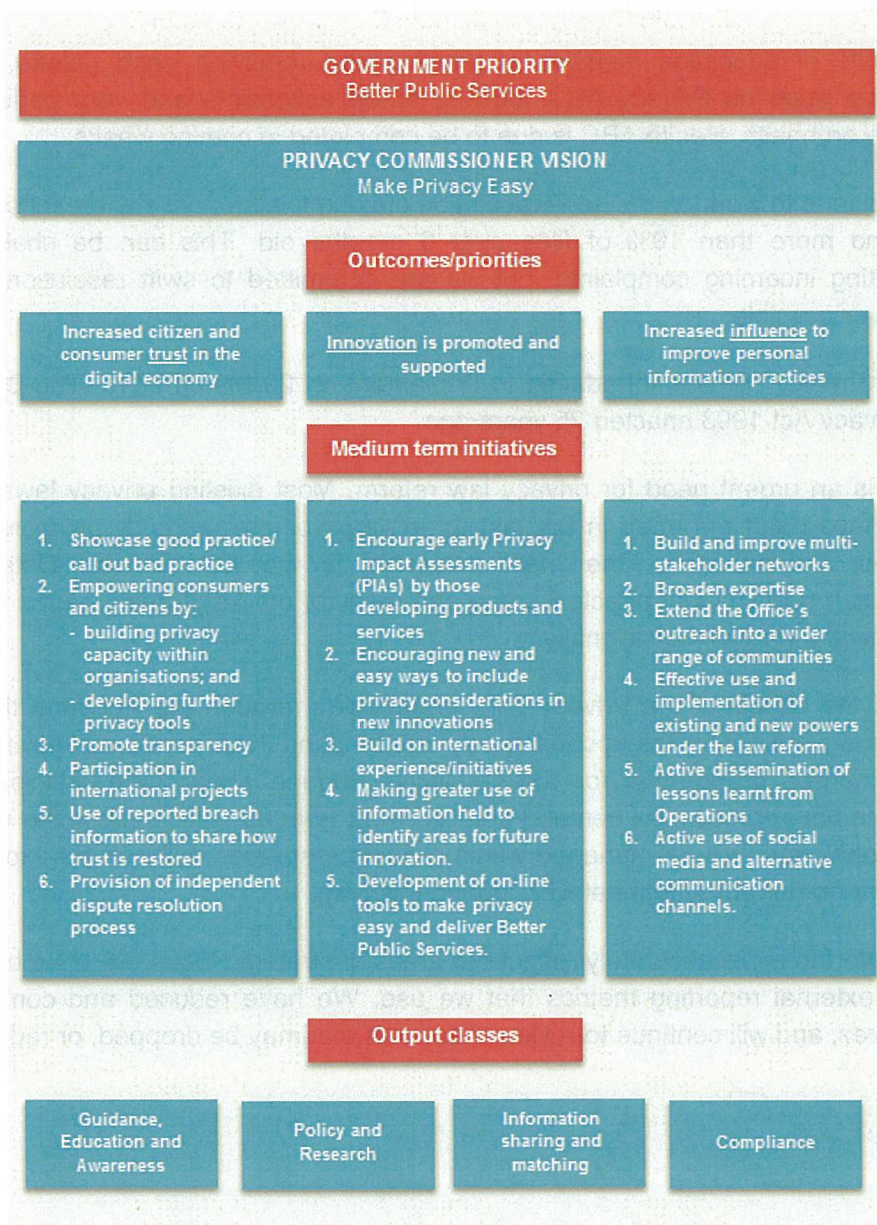
11 June 2018

Alignment with the Statement of Intent

The Statement of Performance Expectations is provided under the Crown Entities Act 2004. The Statement of Performance Expectations aligns with the Privacy Commissioner's strategy as provided in the Statement of Intent.

The Statement of Intent was reviewed and updated in the prior year to cover the 4 year period from 1 July 2017. It identifies three high level outcomes, each of which is supported by a number of medium term initiatives as shown below.

Figure 1: Outcomes and Initiatives



Each of the four output classes will contribute to the three outcomes as set out in the Statement of Intent covering the period 1 July 2017 to 30 June 2021. This Statement of Performance Expectations provides further detail on the four output classes, with a focus

on the key services being delivered and how the Office's performance in each area will be assessed for the year to 30 June 2019. The progress against each of these targets, along with progress against the medium term initiatives, will be reported in the Annual Report.

Split of Funding in Budget 2019

In Budget 2014, the Privacy Commissioner received additional baseline funding of \$1.722m. The increased funding recognised the increased workload placed on the Office over recent years, and the need for an increased input by the Privacy Commissioner into a range of government initiatives.

In addition to the above, as part of Budget 2014, contingency funding was allocated in response to the proposed 2014 Privacy Act reforms. In December 2017¹, it was agreed to extend the expiry of this tagged contingency funding for the implementation of the new Act to 1 February 2020 as per the below:-

Initiative name	\$m	\$m	\$m	\$m
	2019/20	2020/21	2021/22	2022/23 & out years
Privacy Act implementation costs	0.126	0.612	1.190	1.190

Following this extension agreement, it was further proposed by the government in March 2018² that the Privacy Bill be enacted by March 2019. As a result of the proposed date being brought forward, the Privacy Commissioner has drafted the budgets included in this Statement of Performance Expectations on the assumption that the first tranche of implementation costs will be available in 18/19.

The total additional funding is appropriated for the following four areas:

Areas	\$m	\$m	\$m	\$m
	2017/18	2018/19	2019/20	2020/21 and out years
1. Existing work	0.826	0.826	0.826	0.826
2. Better Public Services	0.644	0.644	0.644	0.644
3. Information Sharing Initiatives	0.252	0.252	0.252	0.252
4. Privacy Act Implementation costs	-	0.126	0.612	1.190
Total Increase	1.722	1.848	2.334	2.912

¹ Cabinet Business Committee minute [CBC-17-MIN-0076]

² Cabinet Business Committee minute [CBC-18-MIN-0037]

2013/14 Baseline	3.248	3.248	3.248	3.248
New Baseline	4.970	5.096	5.582	6.160

The output classes identified below reflect the following areas of funding:

Output class	Area of Funding
Guidance, education and awareness	Existing work, Better Public Services, Privacy Act Implementation
Information sharing / matching	Better Public Services, Information sharing initiatives, Privacy Act Implementation
Policy and research	Existing work, Better Public Services, Privacy Act Implementation
Compliance	Existing work, Better Public Services, Privacy Act Implementation

Summary of Output Revenue and Expenses for 2018/19

The Privacy Commissioner receives funding through an appropriation within Vote Justice. The appropriation is within the Non-Departmental Output Expenses; Services from the Privacy Commissioner and provides an appropriation of \$4.970m (plus the additional \$126k as noted above). The scope of this appropriation is limited to privacy issues relating to the collection and disclosure of personal information and the privacy of individuals. It is intended to achieve the efficient and effective provision of services by the Privacy Commissioner.

The Privacy Commissioner has committed through the appropriation to provide four output classes in 2018/19.

Output operating statements: 2018/19

Output Class Description	REVENUE		EXPENSES	SURPLUS
	Revenue Crown \$000	Revenue Other \$000	Total Expenses \$000	Surplus / (Deficit) \$000
Guidance, education and awareness	755	40	750	45
Information sharing / matching	694	3	615	82
Policy and research	1,960	93	2,199	(146)
Compliance	1,687	91	1,831	(53)

TOTAL OUTPUT CLASSES	5,096	227	5,395	(72)
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Capital expenditure

Provision of \$590k has been included in 2018/19 to meet the needs of our programme of computer and software replacement, including capitalisation of proposed interactive online modules. During the 2018/19 year, the largest capital expense items being budgeted for are the IT infrastructure upgrade and the Auckland Office potential move when the current lease expires. This expenditure will be met from existing cash balances. No additional funding is anticipated at this time.

Outputs

In addition to supporting the three outcomes as set out in the Statement of Intent, the output classes support the three overall expectations for Justice Sector Crown entities:

- improving trust and confidence in your entity and the work it does
- improving services for New Zealanders, and
- improving value for money.

Measurable outputs include:

Output class	Outputs
Guidance, education and awareness	<ul style="list-style-type: none"> • Online delivery of education including assessment of learning uptake • Development and delivery of online education modules • Delivery of performance information on our website • Continuing development of the interactive online enquiries service – Ask Us • Guidance on the prevention and/or management of a data breach
Information sharing/matching	<ul style="list-style-type: none"> • Facilitation of AISAs with individual agencies to assist them to operate more effectively and efficiently
Policy and research	<ul style="list-style-type: none"> • Collaboration and support of the Government Chief Privacy Officer • International collaboration on emerging privacy issues • Participation in the privacy law reform process • Support for privacy related research through the Privacy Good Research Fund
Compliance	<ul style="list-style-type: none"> • The online lodgement of complaints and the development of best practice. • Continued emphasis on reducing time between receipt and closure of complaints • Provision of the interactive access tool - AboutMe

Our focus on the delivery of services through a suite of online tools will enable us to deliver effective services across New Zealand. Through the process we will develop specialist online tools and capabilities which will be freely available to other public sector agencies. Collaboration of this nature will assist in the delivery of similar services for other organisations and allow them to capitalise on the knowledge and technology that has been developed.

Forecast Service Performance 2018/19

The Privacy Commissioner has developed a set of measures within the outputs to provide a means to demonstrate both internally and externally that he is performing effectively in achieving the stated Output Classes. A brief summary of what each of the output classes is intended to achieve has also been provided.

The comparative results have been taken from the 2016/17 Annual Report and the 2017/18 Statement of Performance Expectations. Where the comment in the previous year column states “n/a”, this indicates that the target was new for the 2017/18 year and was therefore not reported against in the 2016/17 Annual Report. All new measures have been indicated as such.

Assessment of our performance against the targets identified will be based on the following grading system. This will take into account where performance may have improved but the actual target may not have been met exactly.

Criteria	Rating
On target or better	Achieved
< 5% away from target	Substantially achieved
>5% away from target	Not achieved

Many of the measures for output performance set out below will also be used to assess the Office’s progress against the three outcome areas identified earlier. The Office has not sought to directly link the targets below through to the Outcome areas as in many cases the work done in one output area will contribute to the Office’s progress in more than one outcome.

Output 1 - Guidance, education and awareness

One of the functions of the Privacy Commissioner is to promote individual privacy. Outreach to the public and businesses is a major focus and includes an active programme of seminars, presentations and regional outreach visits, as well as responding to enquiries from the public, media and businesses. Over the period covered by the Statement of Intent, there will be a specific focus on reaching out to diverse communities. The Office also produces a range of guidance and other resource material.

During the 2017/18 year, the website was increasingly used to provide such services online particularly through the provision of the on-line modules and Ask Us tool and this is expected to continue to increase during 2018/19.

Performance in this area will be assessed using the following key performance indicators:

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
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Guidance, education and awareness: Quantity

Number of people completing education modules on the online system*	3,500	2,500	2,761	Reporting from online education tool
Presentations at conferences / seminars	90	90	107	Evidence retained in the document management system
Public enquiries received and answered *	7,500	7,500	7,320	Evidence retained in the document management system as well as website reports summarising usage of the AskUs tool.
Media enquiries received and answered *	200	200	217	Records of media enquiries available in document management system

* Note that the above targets relate to output volume measures that are demand driven and therefore outside of the direct control of the Office. They are included to provide context to the level of work undertaken in any given year.

Guidance, education and awareness: Quality

Website contains all current published guidance from the Privacy Commissioner, and additional resources to support compliance with the Act.	Achieved	Achieved	Achieved	Review of content of website
The office actively engages with a wide range of stakeholders both nationally and internationally through our policy, dispute resolution and public affairs work.	Achieved	Achieved	Achieved	Evidence of meetings, outreach work undertaken and retained on the document management system
The percentage of respondents to the annual stakeholder	85%	85%	98%	Report of survey available for review

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
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survey who indicate, where applicable, that the guidance materials reviewed on the website were useful and met their needs.

Guidance, education and awareness: Timeliness

Respond to all enquiries within 2 working day	100%	100%	93% ³	Evidence retained in the document management system
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Output 2 - Policy and Research

The Privacy Commissioner actively comments and responds on legislative, policy or administrative proposals that impact on privacy to ensure that the requirements of the Privacy Act are being taken into account. Active involvement in international fora also takes place and provides the Privacy Commissioner with the ability to identify and respond to emerging issues in a timely manner.

The Privacy Bill, which will repeal and replace the Privacy Act 1993 when enacted, was introduced to Parliament on 20 March 2018. The Office will remain actively involved as the Bill progresses through the House during 2018/19.

Performance in this area will be assessed using the following key performance indicators:

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
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Policy and research: Quantity

The number of Consultations, Submissions and Office Projects completed in the year ⁴	150	125	223	Evidence retained in the document management system
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³ The measure reported in the 2016/17 Annual Report was for within "1 working day". For comparative purposes, 97% were responded to within 2 working days which is the new measure.

⁴ This includes draft Bills, Cabinet Papers, Privacy Impact Assessments, consultations carried out under a statutory requirement to consult with the Privacy Commissioner, early consultations on new policy proposals, select committee submissions, reports to ministers and research projects. This measure is a combination of 3 separate measures reported on in 16/17 and included in the 17/18 SPE. Comparative figures represent the addition of these 3 separate results.

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
Identifiable progress in international efforts in which we are actively engaged to work towards more sustainable platforms for cross border co-operation	Achieved	Achieved	Achieved	Description of changes from previous year based on public record

The first measure is in part demand driven and is included to provide context to the level of work undertaken in any given year.

Policy and research: Quality

The percentage of recipients of policy advice who are satisfied with the service they received from the Privacy Commissioner	85%	85%	93%	Survey of a sample of recipients of policy advice from the Privacy Commissioner
Our participation in the law reform process is valued by the Ministry of Justice	Achieved	Achieved	Achieved	Direct feedback obtained from the Ministry of Justice
The percentage of externally reviewed policy, information sharing and information matching files that are rated as 3.5 out of 5 or better for quality. ⁵	85%	85%	80%	Evidenced by report prepared by independent evaluator

Policy and research: Timeliness

The percentage of policy files where advice was delivered within agreed timeframes	100%	100%	96%	Evidence retained in the document management system
Responses to requests for input into legislative reform proposals are made available within agreed timelines.	100%	100%	100%	Report of survey available for review

⁵ This target has been combined with a similar target that was included in Output 3 in the prior year and the 17/18 SPE.

Output 3 – Information sharing / matching

The Privacy Commissioner has statutory roles in overseeing authorised information matching programmes (Part 10 of the Privacy Act) and approved information sharing agreements (Part 9A of the Privacy Act). The Privacy Commissioner also provides advice to agencies carrying out information sharing and matching about how to meet their responsibilities under Part 9A and Part 10 respectively.

Performance in this area will be assessed using the following key performance indicators:

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
Information sharing / matching: Quantity				
The number of information matching programmes monitored under Part 10 of the Privacy Act	50	54	56	Evidence retained in the document management system
The number of new Approved Information Sharing Agreements received for consultation under s96O of the Privacy Act	2	2	4	Evidence retained in the document management system
The number of formal reports produced that relate to information sharing or information matching programmes, under sections 96P, 96X, 96O or 106 of the Privacy Act	8	8	6	Evidence retained in the document management system
The number of proposals consulted on involving information sharing or matching between government agencies, completed during the year	30	10	33	Evidence retained in the document management system

Note that the above targets relate to output volume measures that are in part demand driven and therefore outside of the direct control of the Office. They are included to provide context to the level of work undertaken in any given year.

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
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Information sharing/ matching: Quality

The percentage of recipients of information sharing and matching advice that are satisfied with the service they received from the Privacy Commissioner	85%	85%	95%	Annual survey of recipients of information sharing and matching advice from the Privacy Commissioner
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Information sharing/ matching: Timeliness

The percentage of information sharing and matching files where advice was delivered within agreed timeframes	100%	100%	98%	Evidence retained in the document management system
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Output 4 – Compliance

The provision and management of an independent, responsive, complaints and investigation process is another core function of the Office. The Office continues to transform the way in which it deals with complaints with a focus on more timely resolution. Four years ago, the Office introduced an online complaints lodgement system. This has been increasingly used as a method to lodge complaints with the Office and in the 2017/18 year to date, 45% of all complaints have been lodged in this way.

In addition, the Office also reviews and amends codes of practice.

Performance in this area will be assessed using the following key performance indicators:

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
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Compliance: Quantity

Number of complaints received *	900	900	736	Evidence retained in the document management system
Number of data breach notifications received *	130	100	132	Evidence retained in the document management system

Measure	Expectation 2018/19	Expectation 2017/18	Previous year 2016/17	How it will be measured
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** Note that the above targets relate to output volume measures that are demand driven and therefore outside of the direct control of the Office. They are included to provide context to the level of work undertaken in any given year.*

Compliance: Quality

The percentage of complaints files closed by settlement between the parties	40%	40%	48%	Evidence retained in the document management system
Amendments to codes of practice meet all statutory requirements	100%	100%	100%	Evidence of compliance with section 48(2) of the Privacy Act 1993
The percentage of externally reviewed complaints investigations that are rated as 3.5 out of 5 or better for quality	85%	85%	100%	Evidenced by report prepared by independent evaluator
Recommendations following the Credit Reporting Privacy Code review are actioned.	Achieved	NEW	NEW	Evidence retained in the document management system of follow up action taken.

Compliance: Timeliness

The percentage of open files greater than 6 months old at the year end	10%	10%	10%	Evidence retained in the document management system
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Prospective Financial Statements

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES FOR YEAR ENDED 30 JUNE

	Budget 2018/19 \$000	Forecast 2017/18 \$000	Actual 2016/17 \$000
Crown revenue	5,096	4,970	4,970
Other revenue/seminars	197	234	164
Interest income	30	33	35
Total Operating Revenue	5,323	5,237	5,169
Marketing	139	97	55
Audit fees	30	30	30
Depreciation and Amortisation	252	215	185
Rental expenses	421	419	411
Operating expenses	940	780	705
Staff expenses	3,613	3,529	3,707
Total expenses	5,395	5,070	5,093
Total Comprehensive Income	(72)	167	76

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE

	Budget 2018/19 \$000	Forecast 2017/18 \$000	Actual 2016/17 \$000
Public equity as at 1 July	1,286	1,119	1,043
Total Comprehensive Income	(72)	167	76
Total recognised revenues And expenses for the period	(72)	167	76
Public equity as at 30 June	1,214	1,286	1,119

**PROSPECTIVE STATEMENT OF
FINANCIAL POSITION
FOR YEAR ENDED 30 JUNE**

	Budget 2018/19 \$000	Forecast 2017/18 \$000	Actual 2016/17 \$000
Public equity			
General funds	1,214	1,286	1,119
Total public equity	1,214	1,286	1,119
Represented by:			
Assets			
Current assets			
Cash and cash equivalents	743	1,166	994
Debtors and other Receivables	26	33	35
Prepayments	25	25	67
Inventory	25	18	18
Total current assets	819	1,242	1,114
Non-current assets			
Property, plant and equipment	566	280	320
Intangible assets	208	156	148
Total non-current assets	774	436	468
Total assets	1,593	1,678	1,582
Less: Liabilities			
Current liabilities			
Creditors and other Payables	135	136	165
Employee entitlements	230	224	246
Total current liabilities	365	360	411
Non-current liabilities	14	32	52
Total liabilities	379	392	463
NET ASSETS	1,214	1,286	1,119

**PROSPECTIVE STATEMENT OF
CASH FLOWS
FOR YEAR ENDED 30 JUNE**

	Budget 2018/19 \$000	Forecast 2017/18 \$000	Actual 2016/17 \$000
Cash Flows from operating activities			
Cash provided from:	5,096	4,970	4,970
Supply of outputs to the Crown			
Revenues from services provided	193	207	190
Interest received	30	33	35
Cash applied to:			
Payments to suppliers	1,557	1,307	1,335
Payments to employees	3,606	3,553	3,689
Net Goods and Services Tax	(11)	(2)	(8)
Net cash flows from operating activities	167	352	179
Cash Flows from Investing Activities			
Cash was provided from:			
Cash applied to:			
Purchase of Fixed Assets	590	180	70
Net cash flows from investing activities	(590)	(180)	(70)
Net increase (decrease) in cash held	(423)	172	109
Plus opening cash	1,166	994	885
Closing cash balance	743	1,166	994
Represented by: Cash and bank	743	1,166	994
Closing cash balance	743	1,166	994

Statement of underlying assumptions

Significant assumption

The opening position of the forecasted statements is based on un-audited results for 2017/18. The actual results for March, April, May and June 2018 are unavailable and therefore the balance as at 30 June 2018 has been estimated using the forecast figures as at 28 February 2018.

Other assumptions

The accrual basis of accounting has been used in the preparation of these forecast financial statements.

As noted on page 5, some assumptions have been made regarding the timing of receipt of additional contingency funding associated with the Privacy Act reforms.

The budget reflects staffing levels of FTEs to meet the work programme. The actual FTEs that are needed may end up being different.

There is a risk that these events and the associated income and expenditure do not occur.

Nature of prospective financial statements

The forecasted financial statements have been prepared as a best efforts indication of the Privacy Commissioner's future financial performance. Actual financial results for the period covered are likely to vary from the information presented, potentially in a material manner.

Statement of accounting policies

Reporting entity

The Privacy Commissioner is a Crown entity in terms of the Public Finance Act 1989 and the Crown Entities Act 2004. As such the Privacy Commissioner's ultimate parent is the New Zealand Crown.

In addition, the Privacy Commissioner reports on the funding administered on behalf of the Crown as notes to the financial statements.

The Privacy Commissioner's primary objective is to provide public services to the NZ public, as opposed to that of making a financial return.

The Privacy Commissioner is classified as a tier 2 reporting entity under the new International Public Sector Accounting Standards (IPSAS) as it is not publicly accountable (as defined in XRB A1 Accounting Standards Framework) and has expenditure which is less than \$30m. As a result it is eligible to apply the Public Benefit Entity Reduced Disclosure Regime (PBE RDR).

The financial statements for the Privacy Commissioner are for the year ended 30 June, and are approved by the Commissioner prior to issue. The financial statements cannot be altered after they have been authorised for issue.

Basis of preparation

The financial statements of the Privacy Commissioner are prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

The financial statements comply with PBE FRS 42, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Significant accounting policies

The following particular accounting policies which materially affect the measurement of comprehensive income and financial position will be applied:

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

The Privacy Commissioner is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Privacy Commissioner meeting its objectives as specified in the Statement of Performance Expectations.

The Privacy Commissioner considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding agreements.

Other grants

Non-government grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when the conditions of the grant are satisfied.

Interest

Interest income is recognised by accruing on a time proportion basis.

Provision of services

Revenue derived through the provision of services to third parties is treated as exchange revenue and recognised in proportion to the stage of completion at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed.

Other expenses

Grant expenditure

Discretionary grants are those grants where the Office of the Privacy Commissioner has no obligation to award the grant on receipt of the grant application. Discretionary grants with substantive conditions are expensed when the grant conditions have been satisfied.

Goods and Services Tax (GST)

All items in the financial statements presented are exclusive of GST, with the exception of accounts receivable and accounts payable which are presented on a GST inclusive basis. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income Tax

The Privacy Commissioner is a public authority for tax purposes and therefore exempt from income tax. Accordingly no provision has been made for income tax.

Inventories

Inventories held for distribution, or consumption in the provision of services, that are not issued on a commercial basis are measured at cost.

Inventories held for sale or use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the weighted average cost method.

Property, plant and equipment

Property, plant and equipment asset classes consist of furniture and fittings, computer equipment and office equipment.

Property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, at a rate which will write off the cost of the assets to their estimated residual value over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	5 - 7 years
Computer equipment	4 years
Office equipment	5 years

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the

item will flow to the Privacy Commissioner and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Employee entitlements

Employee entitlements that the Privacy Commissioner expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date, and sick leave.

Financial instruments

The Privacy Commissioner is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors, and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of revenue and expenses.