

OFFICE OF THE COMMONWEALTH OMBUDSMAN

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OFFICE OF THE COMMONWEALTH OMBUDSMAN

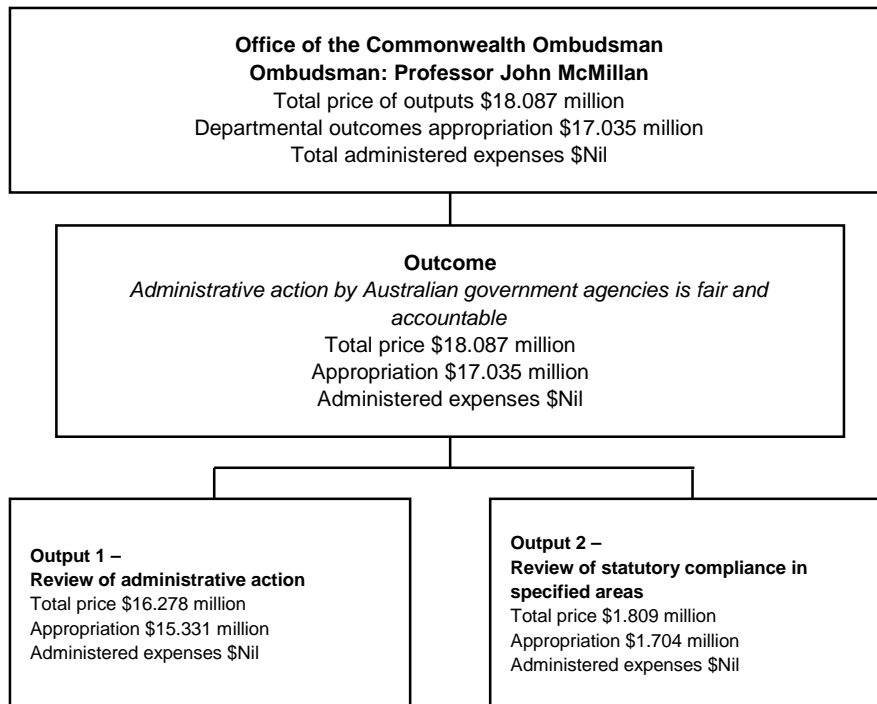
Section 1: Agency overview and resources; variations and measures

OVERVIEW

The Commonwealth Ombudsman's role has been expanded to include an enhanced role in handling and investigating immigration complaints and broader detention issues, with a specific role of reviewing the cases of long-term detainees.

The Office has not changed its outcome, outputs or performance information as a result of the 2005–06 Additional Estimates.

Figure 1: Agency outcomes and output groups



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The Office is being provided with additional funding by way of two measures as shown in Table 1.1.

The first measure involves additional funding of \$15.6 million over four years by way of ordinary appropriations and capital for the Ombudsman to review the cases of long-term detainees following the Palmer Inquiry.

The second measure involves additional funding of \$3.5 million by way of ordinary appropriations and capital over two years for the handling and investigating of immigration complaints and broader detention issues under the Ombudsman's new enhanced immigration role.

Variations — Measures

Table 1.1: Additional estimates and variations to outcomes — measures

	2005–06 (\$'000)	2006–07 (\$'000)	2007–08 (\$'000)	2008–09 (\$'000)
Variations in departmental appropriations				
Palmer implementation plan	4,026	3,278	3,774	3,810
Migration legislation – amendments	1,566	1,580	-	-
Variations in departmental capital				
Palmer implementation plan	676	-	-	-
Migration legislation – amendments	373	-	-	-

MEASURES — AGENCY SUMMARY

The Office is being provided with additional funding by way of two measures, as shown in Table 1.2, Summary of measures since the 2005–06 Budget. See the Mid-Year Economic and Fiscal Outlook document for further details.

Table 1.2: Summary of measures since the 2005–06 Budget

Measure title	Output groups affected	2005–06 (\$'000)			2006–07 (\$'000)			2007–08 (\$'000)			2008–09 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense measures													
Palmer implementation plan	1	-	4,026	4,026	-	3,278	3,278	-	3,774	3,774	-	3,810	3,810
Migration legislation – amendments	1	-	1,566	1,566	-	1,580	1,580	-	-	-	-	-	-
Total expense measures		-	5,592	5,592	-	4,858	4,858	-	3,774	3,774	-	3,810	3,810
Capital measures													
Palmer implementation plan	1	-	676	676	-	-	-	-	-	-	-	-	-
Migration legislation – amendments	1	-	373	373	-	-	-	-	-	-	-	-	-
Total capital measures		-	1,049	1,049	-	-	-	-	-	-	-	-	-
Total of all measures		-	6,641	6,641	-	4,858	4,858	-	3,774	3,774	-	3,810	3,810

Note: The Palmer implementation plan is a cross-portfolio measure with the Department of Immigration and Multicultural Affairs

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

In the 2005–06 Additional Estimates, the Office of the Commonwealth Ombudsman has estimates in Appropriation Bills Nos. 3 and 4. There has been no shifting of funds across office outputs.

The only variations from information supplied in the 2005–06 Portfolio Budget Statements are outlined in the Variations—Measures table.

Table 1.3: Appropriation Bill (No. 3) 2005–06

	2004–05 available \$'000	2005–06 budget \$'000	2005–06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED ITEMS	-	-	-	-	-
Total	-	-	-	-	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
To achieve equitable outcomes for complaints from the public and foster improved and fair administration by Commonwealth Agencies	11,463	11,443	17,035	5,592	-
Total	11,463	11,443	17,035	5,592	-
Total administered and departmental	11,463	11,443	17,035	5,592	-

Table 1.4: Appropriation Bill (No. 4) 2005–06

	2004–05 available \$'000	2005–06 budget \$'000	2005–06 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	-	40	1,089	1,049	-
Loans	-	-	-	-	-
Previous years' outputs	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-
Total capital	-	40	1,089	1,049	-

SUMMARY OF STAFFING CHANGES

Table 1.5: Average staffing level

	2005–06 Budget	2005–06 Revised	Variation
Outcome 1			
Administrative action by Australian government agencies is fair and accountable	102	146	44
Total	102	146	44

SUMMARY OF AGENCY SAVINGS

The office is not subject to any savings.

OTHER RECEIPTS AVAILABLE TO BE USED

There is no change from Budget.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

There is no change from Budget.

ESTIMATES OF SPECIAL ACCOUNT FLOWS

There is no change from Budget.

Section 2: Revisions to agency outcomes

OUTCOMES AND OUTPUTS

Revised performance information — 2005–06

A review of the office's performance measures was undertaken in 2005. Since then the office's role has been expanded to include an enhanced role in handling and investigating immigration complaints and broader detention issues, with a specific role of reviewing the cases of long-term detainees.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Performance information by output	
<i>Outcome:</i> <i>Administrative action by Australian government agencies is fair and accountable</i>	
Output and measurement	Performance information for departmental outputs
Output 1: Review of administrative action	
Quality	<ul style="list-style-type: none"> Inquiries, approaches and investigated complaints subject to a quality assurance review meet Service Standards An assessment of feedback received from the public Response to advice, submissions, services, findings and recommendations by government agencies and other organisations Agency satisfaction with the quality of services / acceptance of findings and recommendations Timely completion of reports on detainees Government acceptance of recommendations on detainees
Quantity	<ul style="list-style-type: none"> No. and complexity of complaints / issues received and investigated No. of inquiries and approaches received No. of outreach activities No. of submissions to government
Price	<ul style="list-style-type: none"> \$16.278 million
Output 2: Review of statutory compliance in specified areas	
Quality	<ul style="list-style-type: none"> Timely completion of the inspecting / reporting schedule Government and agency acceptance of and satisfaction with the quality and relevance of inspection findings and recommendations
Quantity	<ul style="list-style-type: none"> No. of inspections completed by category
Price	<ul style="list-style-type: none"> \$1.809 million

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The Office is receiving increased departmental appropriations through the Additional Estimates process. The analyses below provide an explanation of the impact of this increase in funding on each of the financial statements.

The adoption of the Australian Equivalents to International Financial Reporting Standards (AEIFRS) has had minimal impact on the Portfolio Additional Estimates Statements financial statement tables below.

Departmental financial statements

Budgeted departmental income statement

Although the Office of the Commonwealth Ombudsman is budgeting for a break-even operating result for 2005–06, the rapid expansion of the office’s capacity to handle and investigate immigration complaints and broader detention issues has involved lead times. These lead times could potentially lead to a mismatch of revenues and expenses in 2005–06.

Total appropriation is estimated to be \$17 million, an increase of \$5.6 million over the Budget estimate for 2005–06. The increase is due to measures for the Palmer implementation plan and Migration legislation—amendments.

Total revenue is estimated to be \$18.1 million, an increase of \$5.6 million over the Budget estimate for 2005–06. Other receipts available to be used have not changed since the Budget estimate for 2005–06, but will be reviewed in the context of the 2006–07 Budget.

Budgeted departmental balance sheet

The office’s budgeted net asset position of \$1.9 million represents an increase of \$1.1 million over the 2004–05 financial statements. The increase in net assets is due to equity injections for FedLink in the 2005–06 Budget and the Palmer implementation plan and Migration legislation—amendments.

The office’s primary liability continues to be accrued employee entitlements. The liability is generally expected to increase in future years as staff are added and inflation impacts on payroll costs.

Budgeted departmental statement of cash flows

The office's statement of cash flows reflects variations to departmental appropriations (in operating activities) and capital (in financing activities) for the Palmer implementation plan and Migration legislation—amendments.

Departmental statement of changes in equity — summary of movement

The office's statement of changes in equity shows the change in equity posted in the 2004–05 financial statements, including the equity injection of \$1.1 million.

Departmental capital budget statement

The office's capital budget statement shows the source of capital funding, including the equity injection of \$1.1 million.

Departmental property, plant, equipment and intangibles — summary of movement

The office's property, plant, equipment and intangibles schedule shows property, plant and equipment increasing by \$1.6 million, with a closing net book value of \$2.6 million after taking depreciation into consideration.

Schedule of administered activity

The office has no administered items.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
INCOME					
Revenue					
Revenues from government	11,463	17,035	16,442	15,548	15,706
Goods and services	1,282	1,034	962	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	17	18	18	19	19
Total revenue	12,762	18,087	17,422	15,567	15,725
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	12,762	18,087	17,422	15,567	15,725
EXPENSE					
Employees	8,112	11,299	11,592	10,216	10,292
Suppliers	3,805	6,104	5,108	4,629	4,663
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	300	684	722	722	770
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	121	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	4	-	-	-	-
Total expenses	12,342	18,087	17,422	15,567	15,725
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-

Table 3.1: Budgeted departmental income statement (for the period ended 30 June), continued

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
Operating result from continuing operations	420	-	-	-	-
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	420	-	-	-	-

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
ASSETS					
Financial assets					
Cash	2,157	2,244	2,228	2,158	2,295
Receivables	139	100	613	1,155	1,405
Investments accounted for under the equity method	-	-	-	-	-
Investments (s. 39 FMA Act; s. 18 CAC Act; s. 19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	2,296	2,344	2,841	3,313	3,700
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	1,249	2,089	1,688	1,272	1,073
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	388	492	380	254	203
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	31	42	42	39	40
Total non-financial assets	1,668	2,623	2,110	1,565	1,316
Total assets	3,964	4,967	4,951	4,878	5,016
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	516	229	88	65	45
Total interest bearing liabilities	516	229	88	65	45
Provisions					
Employees	2,134	2,534	2,658	2,630	2,786
Other	-	-	-	-	-
Total provisions	2,134	2,534	2,658	2,630	2,786
Payables					
Suppliers	542	343	344	322	324
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Total payables	542	343	344	322	324
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	3,192	3,106	3,090	3,017	3,155

Table 3.2: Budgeted departmental balance sheet (as at 30 June), continued

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
EQUITY^a					
Parent entity interest					
Contributed equity	848	1,937	1,937	1,937	1,937
Reserves	215	215	215	215	215
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(291)	(291)	(291)	(291)	(291)
Total parent entity interest	772	1,861	1,861	1,861	1,861
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	772	1,861	1,861	1,861	1,861
Current assets	2,327	2,386	2,883	3,352	3,740
Non-current assets	1,637	2,581	2,068	1,526	1,276
Current liabilities	1,538	1,399	1,402	1,361	1,417
Non-current liabilities	1,654	1,707	1,688	1,656	1,738

a 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,297	1,150	846	-	-
Appropriations	11,837	17,074	15,929	15,006	15,456
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	13,134	18,224	16,775	15,006	15,456
Cash used					
Employees	8,272	10,899	11,468	10,244	10,136
Suppliers	4,056	6,699	5,114	4,652	4,663
Grants	-	-	-	-	-
Financing costs	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	12,328	17,598	16,582	14,896	14,799
Net cash from or (used by) operating activities	806	626	193	110	657
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s. 39 FMA Act; s. 18 CAC Act; s. 19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	4	-	-	-	-
Cash used					
Purchase of property, plant and equipment	1,130	1,628	209	180	520
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s. 39 FMA Act; s. 18 CAC Act; s. 19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	1,130	1,628	209	180	520
Net cash from or (used by) investing activities	(1,126)	(1,628)	(209)	(180)	(520)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June), continued

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations – contributed equity	-	1,089	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	1,089	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	-	1,089	-	-	-
Net increase or (decrease) in cash held	(320)	87	(16)	(70)	137
Cash at the beginning of the reporting period	2,477	2,157	2,244	2,228	2,158
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	2,157	2,244	2,228	2,158	2,295

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget year 2005–06)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2005					
Balance carried forward from previous period	(291)	215	-	848	772
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(291)	215	-	848	772
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense	-	-	-	-	-
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	1,089	1,089
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	1,089	1,089
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2006	(291)	215	-	1,937	1,861

Table 3.5: Departmental capital budget statement

	Actual 2004–05 \$'000	Revised budget 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	1,089	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	1,089	-	-	-
Represented by:					
Purchase of non-financial assets	-	1,089	-	-	-
Other	-	-	-	-	-
Total represented by	-	1,089	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	1,089	-	-	-
Funded internally by departmental resources	1,130	539	209	180	520
Total	1,130	1,628	209	180	520

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005–06)

	Land	Buildings	Other infrastructure plant and equipment	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005						
Gross book value	-	-	1,490	735	-	2,225
Accumulated depreciation	-	-	(241)	(347)	-	(588)
Opening net book value	-	-	1,249	388	-	1,637
Additions:						
by purchase	-	-	1,378	250	-	1,628
by finance lease	-	-	-	-	-	-
internally developed	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	(538)	(146)	-	(684)
Impairments recognised in operating result	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Disposals:						
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-
other disposals	-	-	-	-	-	-
As at 30 June 2006						
Gross book value	-	-	2,868	985	-	3,853
Accumulated depreciation	-	-	(779)	(493)	-	(1,272)
Closing net book value	-	-	2,089	492	-	2,581

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The office's financial statements have been prepared on an accrual basis in accordance with:

- Australian Equivalents to International Financial Reporting Standards (AEIFRS)
- Finance Minister's Orders
- Accounting Guidance Releases
- Consensus Views of the Urgent Issues Group

and having regard to Statements of Accounting Concepts.

The adoption of the AEIFRS has had minimal impact on the Portfolio Additional Estimates Statements financial statement tables.

Departmental

Departmental assets, liabilities, revenues and expenses are those items that are controlled by the office, and that are used by the office to produce its outputs. They include:

- computers, plant and equipment used in providing goods and services
- liabilities for employment entitlements
- revenue from appropriations or independent sources in payment of outputs
- employee, supplier and depreciation expenses incurred in providing outputs.

Departmental revenue

Revenue from government represents the purchase of outputs from the office by the government and is recognised to the extent that it has been received into the office's bank account.

Revenue from other sources, representing sales from goods and services, is recognised at the time that it is imposed.

Departmental expense — employees

This item represents payments and net increases in entitlements to employees for services rendered in the financial year.

Departmental expense — suppliers

This item represents payments to suppliers for goods and services that are used in providing office outputs.

Departmental expense — depreciation and amortisation

Depreciable property, plant and equipment, buildings and intangible assets are written off to their estimated residual values over their estimated useful life to the office, using the straight-line calculation method.

Departmental assets — financial assets

The primary financial asset relates to the office's investments. Financial assets are used to fund the office's capital program, employee entitlements and creditors, and to provide working capital.

Departmental assets — non-financial assets

These items represent future economic benefits that the office will consume in producing outputs. The reported value represents the purchase price paid, less the depreciation incurred to date in using the asset.

Departmental liabilities — debt

These are property lease incentives that the office has received. They are written off over the life of the lease.

Departmental liabilities — provisions and payables

Provision has been made for the office's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave. No provision has been made for sick leave because the level of sick leave is less on average than the amount which employees are entitled to each year.

Provision has been made for unpaid supplier expenses as at the balance date.

Administered

Administered items are those items incurred in providing programs that are controlled by the government, and managed or oversighted by the office on behalf of the government. These items include grant payments and levies, fees and fines.

The office has no administered items.

