

# OFFICE OF THE COMMONWEALTH OMBUDSMAN

<b>Section 1: Agency overview</b> .....	<b>179</b>
<b>Section 2: Agency resources for 2005–06</b> .....	<b>180</b>
2.1: Appropriations and other resources .....	180
2.2: 2005–06 Budget measures .....	182
2.3: Other receipts available to be used .....	184
2.4: Movement of administered funds from 2004–05 to 2005–06 .....	185
2.5: Special appropriations.....	185
2.6: Special accounts .....	185
2.7: Administered capital and departmental equity injections and loans .....	185
<b>Section 3: Agency outcomes</b> .....	<b>186</b>
3.1: Summary of outcome and outputs .....	186
3.2: Outcomes — departmental .....	188
3.3: Outcomes resourcing .....	188
<b>Section 4: Other reporting requirements</b> .....	<b>191</b>
4.1: Purchaser–provider arrangements .....	191
4.2: Cost recovery arrangements.....	191
<b>Section 5: Budgeted financial statements</b> .....	<b>192</b>
5.1: Analysis of budgeted financial statements.....	192
5.2: Budgeted financial statements tables .....	193
5.3: Notes to the financial statements .....	201



## OFFICE OF THE COMMONWEALTH OMBUDSMAN

### Section 1: Agency overview

The planned outcome for the Office of the Commonwealth Ombudsman is to ensure that *administrative action by Australian government agencies is fair and accountable*.

The Commonwealth Ombudsman is appointed under the *Ombudsman Act 1976*. The Ombudsman’s role is to investigate complaints from people who consider they have been adversely affected by the defective administration of Australian Government departments and agencies and to promote improved public administration. The Commonwealth Ombudsman also fulfils the role of Defence Force Ombudsman and Taxation Ombudsman; reviews, and in some cases undertakes, the investigation of complaints under the *Complaints (Australian Federal Police) Act 1981*; and, under an agreement with the ACT Government, is the ACT Ombudsman. The Office of the Commonwealth Ombudsman deals with around 20,000-plus complaints and 10,000 other approaches each year.

The office also contributes to improved administration by recommending changes in work practices, procedures and administrative arrangements arising from the examination of complaints or as a result of own motion investigations of systemic issues.

The Commonwealth Ombudsman performs some specific functions under statute related to the inspection by audit of telecommunications intercept records and monitoring of records of controlled operations conducted by Commonwealth law enforcement agencies. Reports on these security-classified areas are made to the Attorney-General or Parliament according to statute.

**Table 1.1: Agency outcome and outputs**

Outcome	Description	Output groups
<b>Outcome 1</b>		
<b>Administrative action by Australian government agencies is fair and accountable</b>	Providing a robust and accessible review of Australian government agencies to ensure such agencies act lawfully, justly and with integrity.	<b>Output 1</b> Review of administrative action <b>Output 2</b> Review of statutory compliance in specified areas

## Section 2: Agency resources for 2005–06

### **2.1: APPROPRIATIONS AND OTHER RESOURCES**

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total appropriation for the Office of the Commonwealth Ombudsman in the 2005–06 Budget is \$11.443 million.

**Table 2.1: Appropriations and other revenue 2005–06 ('000)**

Outcome	Appropriations					Other revenue available to be used <sup>5</sup>		Total resources <sup>7</sup>
	\$'000	\$'000	\$'000	\$'000	% <sup>6</sup>	\$'000	% <sup>6</sup>	\$'000
	Bill No. 1	Bill No. 2 <sup>2</sup>	Special approp <sup>3</sup>	Total approp <sup>4</sup>				
<b>Outcome 1 – Administrative action by Australian Government agencies is fair and accountable</b>								
Administered	-	-	-	-	-	-	-	-
Departmental	11,443	-	-	11,443	100%	1,052	100%	12,495
<b>Total outcome 1</b>	<b>11,443</b>	<b>-</b>	<b>-</b>	<b>11,443</b>	<b>100%</b>	<b>1,052</b>	<b>100%</b>	<b>12,495</b>
<b>Total agency</b>								
Administered	-	-	-	-	-	-	-	-
<b>Total agency</b>								
Departmental	11,443	-	-	11,443	100%	1,052	100%	12,495
<b>Total agency</b>	<b>11,443</b>	<b>-</b>	<b>-</b>	<b>11,443</b>	<b>100%</b>	<b>1,052</b>	<b>100%</b>	<b>12,495</b>
Departmental capital (equity injections)	-	40	-	40	-	-	-	40
Previous year's outputs	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-	-
<b>Total resources</b>	<b>11,443</b>	<b>40</b>	<b>-</b>	<b>11,483</b>	<b>100%</b>	<b>1,052</b>	<b>100%</b>	<b>12,535</b>

1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1 etc.

4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.

5 Revenue from other sources includes FMA s. 31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.

6 Percentage figures indicate the percentage contribution of Revenue from Government (Departmental and Administered Appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (departmental) to the total price of outputs, by outcome.

7 Total resources = Total appropriations + Revenue from other sources.

Note: Refer to Budgeted statement of financial performance for application of agency revenue.

## **2.2: 2005–06 BUDGET MEASURES**

Budget measures relating to the Office of the Commonwealth Ombudsman as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcome and outputs associated with each measure.

**Table 2.2: Agency measures**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2006–07 (\$'000)			Appropriations forward estimate 2007–08 (\$'000)			Appropriations forward estimate 2008–09 (\$'000)		
			2005–06 (\$'000)			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
			Admin expenses	Dept outputs	Total									
<b>Expense Measures</b>														
Australia – United States Free Trade Agreement	1	1	-	138	138	-	137	137	-	137	137	-	137	137
Connection to FedLink	1	1,2	-	59	59	-	40	40	-	41	41	-	41	41
Efficiency dividend – increase in the rate from 1 per cent to 1.25 per cent	1	1,2	-	(27)	(27)	-	(54)	(54)	-	(82)	(82)	-	(82)	(82)
<b>Total Expenses</b>			-	<b>170</b>	<b>170</b>	-	<b>123</b>	<b>123</b>	-	<b>96</b>	<b>96</b>	-	<b>96</b>	<b>96</b>
<b>Capital measures</b>														
Connection to FedLink	1	1,2	-	40	40	-	-	-	-	-	-	-	-	-
<b>Total Capital</b>			-	<b>40</b>	<b>40</b>	-	-	-	-	-	-	-	-	-

See Budget Paper No. 2 for an explanation of the measures in this table.

## 2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Table 2.3 provides details of other receipts available to be used and includes FMA s. 31 receipts that are available to be spent and resources received free of charge.

**Table 2.3: Other receipts available to be used**

Outcome	Estimated receipts 2004–05 \$'000	Budget estimate 2005–06 \$'000
<b>Departmental other receipts</b>		
Sale of goods and services	1,581	1,034
Other	17	18
<b>Total departmental other receipts available to be used</b>	1,598	1,052
<b>Total administered other receipts available to be used</b>	-	-

This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.

Other receipts available to be used include:

- revenues from the Australian Capital Territory (ACT) Government for services provided by the Ombudsman as ACT Ombudsman
- revenues from the ACT Government for services provided by the Ombudsman exercising powers and performing functions in relation to police services provided to the ACT by the Australian Federal Police
- revenues from the Australian Agency for International Development (AusAID) for the Indonesian Ombudsman Enhancement Program and the Thailand Ombudsman Enhancement Program
- revenues from the Department of the Prime Minister and Cabinet to fund accommodation and other overheads for the Australiana Fund, which is co-located at the Sydney office of the Ombudsman
- revenues related to cost recovery for investigation of decisions under the *Freedom of Information Act 1982* (Cwth).

See Section 4.1 'Purchaser-provider arrangements' for a further description of purchaser-provider arrangements with which the Ombudsman is involved.

See Section 4.2 'Cost recovery arrangements' for further information on cost recovery activities by the Ombudsman.

**2.4: MOVEMENT OF ADMINISTERED FUNDS FROM  
2004–05 TO 2005–06**

The office has no movement of administered funds.

**2.5: SPECIAL APPROPRIATIONS**

The office has no special appropriations.

**2.6: SPECIAL ACCOUNTS**

The office has no special accounts.

**2.7: ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS  
AND LOANS**

The office has received a departmental equity injection of \$40,000. The office has no loans or administered capital.

## Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs to the one outcome of the Office of the Commonwealth Ombudsman.

### 3.1: SUMMARY OF OUTCOME AND OUTPUTS

The Office of the Commonwealth Ombudsman works to achieve one outcome specified by government. Since the previous Budget Statement, the office has reviewed and amended its outcome and outputs to include responsibilities for specific functions under statute related to the inspection by audit of telecommunications intercept records and monitoring of records of controlled operations conducted by Commonwealth law enforcement agencies, as follows:

- Outcome 1: *Administrative action by Australian government agencies is fair and accountable.*
- Output 1: *Review of administrative action*
- Output 2: *Review of statutory compliance in specified areas.*

The office's new outcome encompasses:

- independent review of administrative actions
- assisting the public to seek administrative review
- promoting a robust administrative review system
- ensuring integrity and legislative compliance in agency administration.

The former outputs for the office, that is, *provision of a complaint management service for government* and *provision of advice to government to improve public administration*, have now been combined into a new output, *review of administrative action*.

The following new responsibilities form the basis for the second output, *review of statutory compliance in specified areas*. These include monitoring:

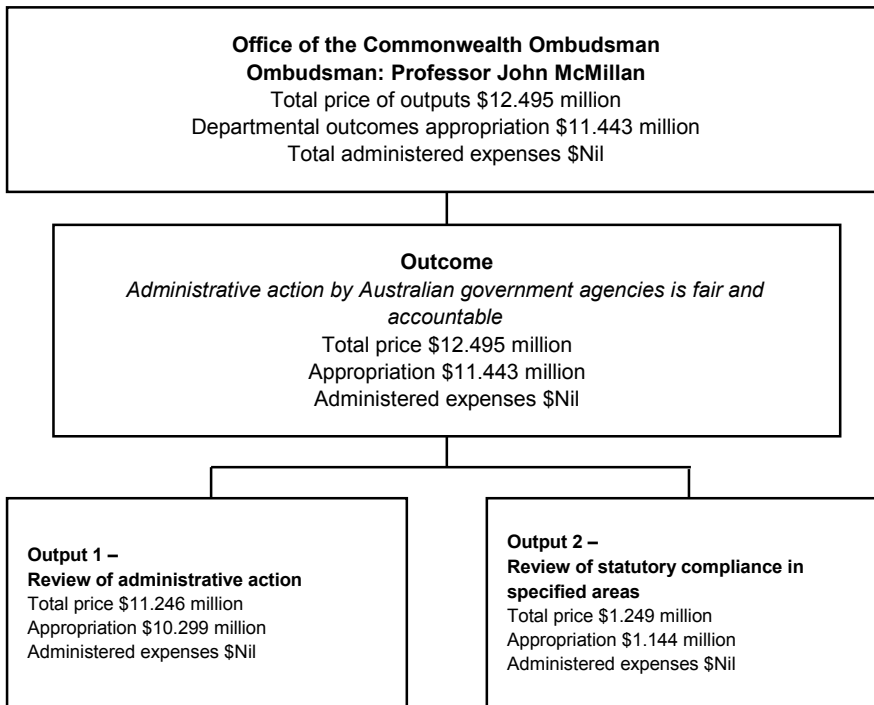
- telecommunications interceptions
- controlled operations
- surveillance devices
- the Building Industry Taskforce.

Continued growth of this function is anticipated with the enactment of harmonised law enforcement legislation in states and territories, which will create responsibilities for the Ombudsman in relation to the activities of the Australian Crime Commission, and for certain legislation in the Australian Capital Territory.

Financial details for the outcome by contributing outputs appear in Table 3.1 (Total resources for Outcome 1), while non-financial information for the outcome appears in Table 3.2 (Performance information for Outcome 1).

The relationship between the activities of the office and the outcome is summarised in Figure 1.

**Figure 1: Outcomes and output groups and administered items**



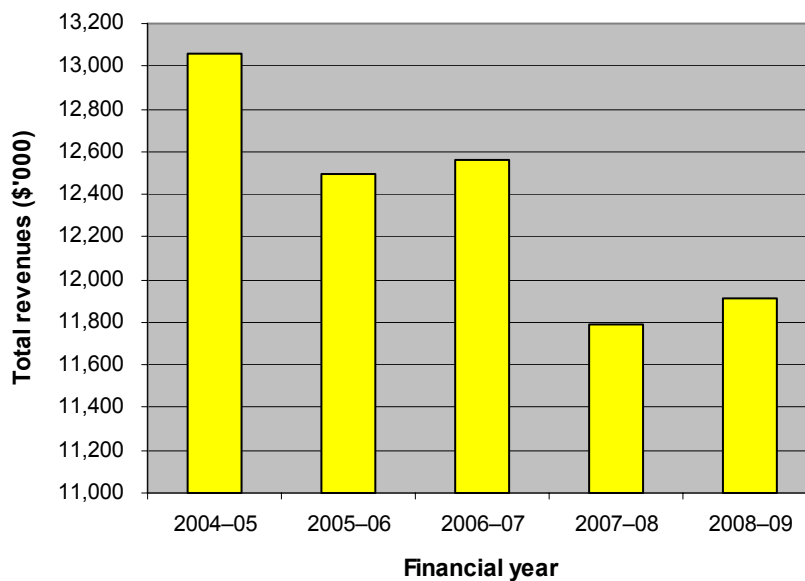
### 3.2: OUTCOMES — DEPARTMENTAL

The planned outcome for the Office of the Commonwealth Ombudsman is to ensure that *administrative action by Australian government agencies is fair and accountable*.

The office seeks to provide a cost-effective form of independent administrative review, which is timely, informal and involves no direct cost to individuals. Coverage is comprehensive, embracing almost all administrative activity of Australian Government agencies.

Variances in resources between years (see Figure 2) are primarily due to fluctuations in revenue from purchaser-provider arrangements (sales of goods and services). There is a reduction in expected revenues from AusAID in 2005-06 and 2006-07, and conservative accounting practices in 2007-08 and 2008-09 where no interagency or intergovernmental arrangement currently exists.

**Figure 2: Trends in resources for Outcome 1, 2004-05 to 2008-09**



### 3.3: OUTCOMES RESOURCING

Table 3.1 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

**Table 3.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000
<b>Departmental appropriations</b>		
Output 1 – Review of administration	10,317	10,299
<b>Subtotal Output 1</b>	<b>10,317</b>	<b>10,299</b>
<b>Departmental appropriations</b>		
Output 2 – Review of statutory compliance in specified areas	1,146	1,144
<b>Subtotal Output 2</b>	<b>1,146</b>	<b>1,144</b>
<b>Total revenue from government (appropriations) Contributing to price of departmental outputs</b>	<b>11,463</b>	<b>11,443</b>
<b>Revenue from other sources</b>		
Sale of goods and services	1,581	1,034
Other	17	18
<b>Total revenue from other sources</b>	<b>1,598</b>	<b>1,052</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>13,061</b>	<b>12,495</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>13,061</b>	<b>12,495</b>
	2004–05	2005–06
<b>Average staffing level (number)</b>	<b>102</b>	<b>102</b>

### Performance information for Outcome 1

A review of the office's performance measures was undertaken in 2005. The new performance measures are discussed below and itemised in Table 3.2.

#### Effectiveness—overall achievement of Outcome 1

The government provides funds for an independent Ombudsman function to investigate and resolve complaints received from citizens about the administrative action of Australian Government agencies. The office plays an important role in strengthening the fairness and accountability of government administration, and improving the community's satisfaction with government agencies by:

- independently reviewing administrative actions
- assisting the public to seek administrative review
- promoting a robust administrative review system
- ensuring integrity and legislative compliance in agency administration.

The office provides a range of services, including advice about how to resolve complaints directly with the agency concerned, referral to other avenues of redress where appropriate, and investigation of those complaints that are unlikely to be resolved through other means.

**Efficiency—adequacy of management of the outputs**

The Office of the Commonwealth Ombudsman is committed to ensuring that its business is conducted in the most efficient way possible. Individual complaints are completed in the shortest possible time, with the majority of complaints being dealt with in less than one month. Major investigations are prioritised against specific criteria to ensure that they are conducted within available resources and reviewed on a regular basis to ensure that they are conducted within the allocated timeframe.

**Table 3.2: Performance information for Outcome 1**

Performance information by output	
<i>Outcome: Administrative action by Australian government agencies is fair and accountable</i>	
Output and measurement	Performance information for departmental outputs
<b>Output 1: Review of administrative action</b>	
Quality	<ul style="list-style-type: none"> <li>Inquiries, approaches and investigated complaints subject to a quality assurance review meet Service Standards</li> <li>An assessment of feedback received from the public</li> <li>Response to advice, submissions, services, findings and recommendations by government agencies and other organisations</li> <li>Agency satisfaction with the quality of services / acceptance of findings and recommendations</li> </ul>
Quantity	<ul style="list-style-type: none"> <li>No. and complexity of complaints / issues received and investigated</li> <li>No. of inquiries and approaches received</li> <li>No. of outreach activities</li> <li>No. of submissions to government</li> </ul>
Price	<ul style="list-style-type: none"> <li>\$11.246 million</li> </ul>
<b>Output 2: Review of statutory compliance in specified areas</b>	
Quality	<ul style="list-style-type: none"> <li>Timely completion of the inspecting / reporting schedule</li> <li>Government and agency acceptance of and satisfaction with the quality and relevance of inspection findings and recommendations</li> </ul>
Quantity	<ul style="list-style-type: none"> <li>No. of inspections completed by category</li> </ul>
Price	<ul style="list-style-type: none"> <li>\$1.249 million</li> </ul>

**Evaluations for Outcome 1**

There will be no formal evaluation activity relating to Outcome 1 in 2005–06.

## Section 4: Other reporting requirements

### 4.1: PURCHASER–PROVIDER ARRANGEMENTS

The office is party to the following purchaser–provider arrangements:

- With the Australian Capital Territory (ACT) Government for services provided by the Ombudsman as ACT Ombudsman under the *Ombudsman Act 1989* and other ACT laws including the *Freedom of Information Act 1989* and the *Public Interest Disclosure Act 1994*. Monies are received directly from the ACT Government as section 31 receipts under a memorandum of understanding (MOU). This MOU, which is currently under negotiation, is an intergovernmental and purchaser–provider arrangement.
- With the ACT Government for services provided by the Ombudsman exercising powers and performing functions under the *Complaints (Australian Federal Police) Act 1981* in relation to police services provided to the ACT by the Australian Federal Police. Monies are received directly from the ACT Government as section 31 receipts under an MOU, which is currently under negotiation. This is an intergovernmental and purchaser–provider arrangement.
- With the Australian Agency for International Development (AusAID) for Indonesian Ombudsman Enhancement activities, Thailand Ombudsman Enhancement activities, Papua New Guinea Twinning activities and Pacific Islands Ombudsman Enhancement activities. These activities aim to provide assistance in developing Ombudsman services in Indonesia, Thailand, Papua New Guinea and the Pacific islands. Monies are received directly from AusAID as section 31 receipts under a record of understanding. The services provided by the Ombudsman are for contributing to the outcomes and outputs that are the responsibility of AusAID. Please refer to the AusAID Portfolio Budget Statements in the Foreign Affairs and Trade portfolio for information on performance measures regarding AusAID programs. This is an interagency and purchaser–provider arrangement.
- With the Department of the Prime Minister and Cabinet to fund accommodation and other overheads for the Australiana Fund at the Sydney office. Monies are received from the Department of the Prime Minister and Cabinet as section 31 receipts. This is an interagency and purchaser–provider arrangement.

### 4.2: COST RECOVERY ARRANGEMENTS

The office receives revenues relating to cost recovery for investigation of decisions under the *Freedom of Information Act 1982* (Cwth). Receipts are less than \$1,000 per annum.

## Section 5: Budgeted financial statements

### **5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Statement of financial performance**

The Office of the Commonwealth Ombudsman is budgeting for a break-even operating result for 2005–06.

Total appropriation is estimated to be \$11.443 million, a decrease of \$0.02 million over the estimated actuals for 2004–05. This is consistent with expectations.

Total revenue is estimated to be \$12.495 million, a decrease of \$0.566 million over the Budget estimate for the estimated actuals for 2004–05. This variance is primarily due to a decrease in sales of goods and services of \$0.547 million in the 2005–06 Budget estimates, or a reduction in revenue from AusAID.

#### **Statement of financial position**

The office's budgeted net asset position of \$0.394 million represents an increase of \$0.04 million over the 2004–05 estimated actuals. The increase in net assets is due to an equity injection for FedLink in 2005–06.

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.

#### **Administered items**

The office has no administered items.

## 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental statement of financial performance for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	11,463	11,443	11,584	11,774	11,896
Goods and services	1,581	1,034	962	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	17	18	18	19	19
<b>Revenues from ordinary activities</b>	<b>13,061</b>	<b>12,495</b>	<b>12,564</b>	<b>11,793</b>	<b>11,915</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	8,680	8,287	8,308	7,776	7,827
Suppliers	3,900	3,723	3,733	3,494	3,517
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	361	485	523	523	571
Write-down of assets and impairment of assets	120	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>13,061</b>	<b>12,495</b>	<b>12,564</b>	<b>11,793</b>	<b>11,915</b>
Borrowing costs expense	-	-	-	-	-
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-

**Table 5.1: Budgeted departmental statement of financial performance (cont.)  
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>Operating surplus or (deficit) from ordinary activities</b>	-	-	-	-	-
Gain or (loss) on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or (deficit)</b>	-	-	-	-	-
Outside equity interests in net surplus or (deficit)	-	-	-	-	-
<b>Net surplus or deficit attributable to the Australian Government</b>	-	-	-	-	-
Net credit or (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit or (credit) to equity	-	-	-	-	-
Adjustments arising from standards recognised as direct debit or (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit or (credit) to equity	-	-	-	-	-
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity</b>	-	-	-	-	-
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	-	-	-	-	-

**Table 5.2: Budgeted departmental statement of financial position as at 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,549	1,546	1,530	1,460	1,597
Receivables	100	100	414	757	808
Investments accounted for under the equity method	-	-	-	-	-
Investments (s. 39 FMA Act; s. 18 CAC Act; s. 19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>1,649</b>	<b>1,646</b>	<b>1,944</b>	<b>2,217</b>	<b>2,405</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	1,237	1,227	1,025	808	808
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	481	585	473	347	296
Other non-financial assets	44	42	42	39	40
<b>Total non-financial assets</b>	<b>1,762</b>	<b>1,854</b>	<b>1,540</b>	<b>1,194</b>	<b>1,144</b>
<b>Total assets</b>	<b>3,411</b>	<b>3,500</b>	<b>3,484</b>	<b>3,411</b>	<b>3,549</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	141	229	88	65	45
<b>Total interest bearing liabilities</b>	<b>141</b>	<b>229</b>	<b>88</b>	<b>65</b>	<b>45</b>
<b>Provisions</b>					
Employees	2,556	2,534	2,658	2,630	2,786
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>2,556</b>	<b>2,534</b>	<b>2,658</b>	<b>2,630</b>	<b>2,786</b>
<b>Payables</b>					
Suppliers	360	343	344	322	324
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>360</b>	<b>343</b>	<b>344</b>	<b>322</b>	<b>324</b>
<b>Total liabilities</b>	<b>3,057</b>	<b>3,106</b>	<b>3,090</b>	<b>3,017</b>	<b>3,155</b>

**Table 5.2: Budgeted departmental statement of financial position (cont.)  
as at 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	848	888	888	888	888
Reserves	217	217	217	217	217
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(711)	(711)	(711)	(711)	(711)
<b>Total parent entity interest</b>	<b>354</b>	<b>394</b>	<b>394</b>	<b>394</b>	<b>394</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>354</b>	<b>394</b>	<b>394</b>	<b>394</b>	<b>394</b>
<b>Current assets</b>	<b>1,693</b>	<b>1,688</b>	<b>1,986</b>	<b>2,256</b>	<b>2,445</b>
<b>Non-current assets</b>	<b>1,718</b>	<b>1,812</b>	<b>1,498</b>	<b>1,155</b>	<b>1,104</b>
<b>Current liabilities</b>	<b>1,396</b>	<b>1,399</b>	<b>1,402</b>	<b>1,361</b>	<b>1,417</b>
<b>Non-current liabilities</b>	<b>1,661</b>	<b>1,707</b>	<b>1,688</b>	<b>1,656</b>	<b>1,738</b>

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

**Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	1,591	1,150	846	-	-
Appropriations	11,737	11,443	11,270	11,431	11,845
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>13,328</b>	<b>12,593</b>	<b>12,116</b>	<b>11,431</b>	<b>11,845</b>
<b>Cash used</b>					
Employees	8,419	8,309	8,184	7,804	7,671
Suppliers	4,572	3,748	3,739	3,517	3,517
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>12,991</b>	<b>12,057</b>	<b>11,923</b>	<b>11,321</b>	<b>11,188</b>
<b>Net cash from or (used by) operating activities</b>	<b>337</b>	<b>536</b>	<b>193</b>	<b>110</b>	<b>657</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
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	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,265	579	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	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>1,265</b>	<b>579</b>	<b>209</b>	<b>180</b>	<b>520</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,265)</b>	<b>(579)</b>	<b>(209)</b>	<b>(180)</b>	<b>(520)</b>

**Table 5.3: Budgeted departmental statement of cash flows (cont.)  
for the period ended 30 June**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	-	40	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	-	40	-	-	-
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/(used by) financing activities</b>	-	40	-	-	-
<b>Net increase or (decrease) in cash held</b>	(928)	(3)	(16)	(70)	137
Cash at the beginning of the reporting period	2,477	1,549	1,546	1,530	1,460
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	1,549	1,546	1,530	1,460	1,597

**Table 5.4: Departmental capital budget statement**

	Estimated actual 2004–05 \$'000	Budget estimate 2005–06 \$'000	Forward estimate 2006–07 \$'000	Forward estimate 2007–08 \$'000	Forward estimate 2008–09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	40	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	40	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	40	-	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	-	40	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	40	-	-	-
Funded internally by departmental resources	1,265	539	209	180	520
<b>Total</b>	1,265	579	209	180	520

**Table 5.5: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005–06)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2005</b>									
Gross book value	-	-	-	-	1,956	-	841	-	2,797
Accumulated depreciation	-	-	-	-	(719)	-	(360)	-	(1,079)
<b>Opening net book value</b>	-	-	-	-	1,237	-	481	-	1,718
Additions:									
by purchase	-	-	-	-	329	-	250	-	579
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Net revaluation increment/decrement	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	(339)	-	(146)	-	(485)
Recoverable amount write-downs	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2006</b>									
Gross book value	-	-	-	-	2,285	-	1,091	-	3,376
Accumulated depreciation	-	-	-	-	(1,058)	-	(506)	-	(1,564)
<b>Closing net book value</b>	-	-	-	-	1,227	-	585	-	1,812

## **5.3: NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The office's budget statements are prepared in compliance with Australian Accounting Standards and Accounting Guidance Releases, and having regard to Statements of Accounting Concepts.

### **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.