

# OFFICE OF THE COMMONWEALTH OMBUDSMAN

<b>Section 1: Agency overview and resources</b> .....	<b>157</b>
1.1 Strategic direction .....	157
1.2 Agency resource statement .....	158
1.3 Budget measures.....	160
<b>Section 2: Outcome and planned performance</b> .....	<b>161</b>
2.1 Outcome 1 .....	161
<b>Section 3: Explanatory tables and budgeted financial statements</b> .....	<b>164</b>
3.1 Explanatory tables .....	164
3.2 Budgeted financial statements .....	166



# OFFICE OF THE COMMONWEALTH OMBUDSMAN

## Section 1: Agency overview and resources

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 Ombudsman has three major statutory roles:

- Investigating and reviewing the administrative actions of Australian Government officials and agencies, upon receipt of complaints from members of the public, groups and organisations—the office deals with around 30,000 approaches and complaints each year.
- Investigating, on the initiative or ‘own motion’ of the Ombudsman, the administrative actions of Australian Government agencies, often as a result of insights gained from handling individual complaints—around 12 own motion reports are released publicly each year.
- Inspecting the records of agencies such as the Australian Federal Police and the Australian Crime Commission, to ensure compliance with legislative requirements applying to selected law enforcement and regulatory agencies— reports on these security-classified areas are made to the Attorney-General or Parliament according to statute.

The office 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.

### 1.1 STRATEGIC DIRECTION

In 2008–09, the strategic priorities of the office are to:

- deliver effective and efficient complaint handling
- inspect the accuracy and comprehensiveness of records on selected law enforcement activities
- recruit, develop and retain professional and proficient staff
- nurture the working relationship with Australian Government and ACT Government agencies
- communicate effectively with key stakeholders and target audiences
- maintain a vibrant international program to foster and expand Ombudsman services in the Asia-Pacific region
- make submissions to parliamentary and governmental inquiries.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Agency resource statement — Budget estimates for 2008–09 as at Budget May 2008**

	Estimate of prior + year amounts available in 2008–09 \$'000	Proposed at Budget = 2008–09 \$'000	Total estimate 2008–09 \$'000	Estimated appropriation available 2007–08 \$'000
<b>Ordinary Annual Services</b>				
<b>Departmental outputs</b>				
Departmental outputs	4,380	17,737	22,117	17,881
s. 31 Relevant agency receipts	551	1,765	2,316	1,661
<b>Total</b>	<b>4,931</b>	<b>19,502</b>	<b>24,433</b>	<b>19,542</b>
<b>Administered expenses</b>				
<b>Total</b>	-	-	-	-
<b>Total ordinary annual services</b>	<b>A 4,931</b>	<b>19,502</b>	<b>24,433</b>	<b>19,542</b>
<b>Other services</b>				
<b>Administered expenses</b>				
<b>Specific payments to states, ACT, NT and local government</b>				
<b>Total</b>	-	-	-	-
<b>New administered expenses</b>				
<b>Total</b>	-	-	-	-
<b>Departmental non-operating</b>				
Equity injections	129	-	129	149
Previous years' outputs	-	-	-	-
<b>Total</b>	<b>129</b>	<b>-</b>	<b>129</b>	<b>149</b>
<b>Administered non-operating</b>				
Administered assets and liabilities	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total other services</b>	<b>B 129</b>	<b>-</b>	<b>129</b>	<b>149</b>
<b>Total Available Annual Appropriations</b>	<b>5,060</b>	<b>19,502</b>	<b>24,562</b>	<b>19,691</b>
<b>Special Appropriations</b>				
<b>Special Appropriations limited by criteria/entitlement</b>				
Special Appropriations limited by amount	-	-	-	-
<b>Total Special Appropriations</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>5,060</b>	<b>19,502</b>	<b>24,562</b>	<b>19,691</b>

Continued on next page.

**Table 1.1: Agency resource statement — Budget estimates for 2008–09 as at Budget May 2008 (continued)**

	Estimate of prior <sup>+</sup> year amounts available in 2008–09 \$'000	Proposed at Budget <sup>=</sup> 2008–09 \$'000	Total estimate 2008–09 \$'000	Estimated appropriation available 2007–08 \$'000
<b>Special Accounts</b>				
<b>Total Special Account</b>	D -	-	-	-
<b>Total resourcing</b>	5,060	19,502	24,562	19,691
A+ B + C + D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	-	-	-
<b>Total net resourcing for agency</b>	5,060	19,502	24,562	19,691

1 s. 31 Relevant agency receipts — estimate.

2 Estimated adjusted balance carried from previous year for Annual Appropriations.

3 The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the outcome resource statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.

4 Appropriation receipts from agency annual and special appropriations for 2008–09 included above.

### Third party drawdowns from and on behalf of other agencies

The office has no third party drawdown arrangements.

### 1.3 BUDGET MEASURES

Budget measures relating to the Office of the Commonwealth Ombudsman are detailed in Budget Paper No.2. Table 1.2 provides a summary of government measures and identifies the relevant outcome associated with each measure.

**Table 1.2: Agency 2008–09 Budget measures**

	Outcome	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000
<b>Expense measures</b>					
Closing the Gap - Northern Territory - Commonwealth Ombudsman support					
Departmental expenses	1	202	-	-	-
Responsible Economic Management - Access Card <sup>1</sup>					
Departmental expenses	1	(639)	(653)	(1,801)	(1,837)
<b>Total expense measures</b>					
Departmental		(437)	(653)	(1,801)	(1,837)
<b>Total</b>		<b>(437)</b>	<b>(653)</b>	<b>(1,801)</b>	<b>(1,837)</b>
<b>Capital measure</b>					
Responsible Economic Management - Access Card <sup>1</sup>					
Departmental capital	1	-	-	-	-
<b>Total capital measure</b>					
Departmental		-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on a Government Financial Statistics basis.

1 The government will not proceed with the measure 'Health and Social Services Access Card—review mechanism' announced in the *Mid-Year Economic and Fiscal Outlook 2007–08*. This measure has a \$(0.5) million expense and a \$(0.1) million capital impact in 2007-08. For further details on the 2007–08 impact see Budget Paper No. 2.

## Section 2: Outcome and planned performance

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts on the Australian community or consequences of actions by the government. Agencies are required to identify the outputs which demonstrate their contribution to government outcomes over the coming year.

The Office of the Commonwealth Ombudsman's single outcome is described below by outputs, specifying the performance indicators and targets used to assess and monitor the performance of the office in achieving government outcomes.

### 2.1 OUTCOME 1

*Administrative action by Australian Government agencies is fair and accountable.*

#### 2.1.1 Outcome 1 Strategy

The key strategies for the office in achieving Outcome 1 are:

- focus on areas of administrative concern as identified through analysis of complaint trends
- build on work practices and system changes to deliver improved timeliness, efficiency and effectiveness in managing complaints, conducting inspections and generating reports
- manage issues arising from the Northern Territory Emergency Response initiatives, and work with the Indigenous communities to raise awareness of the Ombudsman's services and to assist individuals and agencies to resolve complaints about government administrative action
- continue to build the profile of the office through outreach, relevant publications and communication activities
- continue to develop relationships with key agencies to ensure better front-line services and improved internal complaint-handling processes by those agencies.

## 2.1.2 Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for Outcome 1.

**Table 2.1: Total resources for Outcome 1**

<b>Outcome 1: Administrative action by Australian Government agencies is fair and accountable</b>	2008–09 Total estimate of available resources \$'000	2007–08 Estimated actual \$'000
<b>Output 1: Review of administrative action</b>		
Departmental Output	16,660	16,886
Revenues from other sources (s. 31)	1,765	1,611
<b>Subtotal for Output 1.1</b>	<b>18,425</b>	<b>18,497</b>
<b>Output 2: Review of statutory compliance in specified areas</b>		
Departmental Output	903	1,019
Revenues from other sources (s. 31)	-	-
<b>Subtotal for Output 1.2</b>	<b>903</b>	<b>1,019</b>
<b>Total resources for Outcome 1</b>	<b>19,328</b>	<b>19,516</b>
	2008–09	2007–08
<b>Average staffing level (number)</b>	<b>137</b>	<b>153</b>

Note Departmental appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

### 2.1.3 Contributions to Outcome 1

#### Output 1: Review of administrative action

<b>Output 1: Review of administrative action</b>	
Key performance indicators	2008–09 target
Complaint handling service delivered effectively and efficiently.	Improvement in the achievement of our client service standards for all incoming approaches to the office and the management of all complaints.  Efficiently close all approaches and complaints received, in the face of growing complaint numbers.
Submissions, own motion investigations and better practice guides foster improved public administration generally.	Produce an estimated six submissions, 12 own motion investigations, and two better practice guides.
Agencies satisfied with quality of services, and accept findings and recommendations resulting from complaint investigations and systemic problems identified.	Agencies generally accept findings and recommendations.
Timely and effective completion of assessment reports on long-term immigration detainees.	Government generally accepts recommendations on detainees.
Public satisfaction with the quality of services provided.	High level of satisfaction with service received.

#### Output 2: Review of statutory compliance in specified areas

<b>Output 2: Review of statutory compliance in specified areas</b>	
Key performance indicators	2008–09 target
Inspect the accuracy and comprehensiveness of records on selected law enforcement activities for compliance with statutory requirements.	All inspections and reports completed according to the statutory inspection schedule.  Government and agencies accept the quality and relevance of findings and recommendations.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008–09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Reconciliation of total available appropriation and outcomes

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009–10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

**Table 3.1.1: Reconciliation of total available appropriation and outcomes**

	\$'000
<b>Total available departmental operating appropriation (outputs)</b>	<b>24,433</b>
Less estimated payments made in 2008-09	19,263
<b>Estimated departmental operating appropriation carry-forward for 2009–10 (outputs)</b>	<b>5,170</b>

#### 3.1.2 Movement of administered funds between years

The office has no movement of administered items from 2007–08 to 2008–09.

#### 3.1.3 Special Accounts

The office has no special accounts.

### 3.1.4 Australian Government Indigenous expenditure

The office received additional funding of \$0.3 million in 2007–08, including \$0.1 million in capital funding, to provide services both to Indigenous communities who may wish to make complaints about the actions of Northern Territory Emergency Response (NTER) agencies to a ‘neutral’ third party, and to NTER agencies in assisting them to develop better complaint-handling procedures.

The Commonwealth Ombudsman has undertaken significant work as part of the whole-of-government NTER measures, including ongoing outreach to Northern Territory Indigenous communities to promote the Ombudsman’s role and to conduct complaint clinics, and ongoing investigations of individual and systemic complaints to achieve better public administration.

Our activities are designed to provide assurance to Indigenous communities, as well as the broader community, that agencies and others delivering services to remote Northern Territory communities have appropriate complaint-handling mechanisms in place. Through our complaint management activities and investigations of individual and systemic complaints, we have highlighted cross-agency issues and deficiencies in NTER administration.

**Table 3.1.4: Australian Government Indigenous expenditure**

Outcome	Appropriations				Other \$'000	Total \$'000	Output
	Bill	Bill	Special	Total			
	No. 1 \$'000	No. 2 \$'000	Approp \$'000	Approp \$'000			
<b>Office of the Commonwealth Ombudsman</b>							
<b>Outcome 1</b>							
Administrative action by Australian government agencies is fair and accountable							
Departmental 2008–09	202	-	-	202	-	202	1
<i>Departmental 2007–08</i>	<i>888</i>	<i>20</i>	<i>-</i>	<i>908</i>	<i>-</i>	<i>908</i>	<i>1</i>
<b>Total AGIE 2008–09</b>	<b>202</b>	<b>-</b>	<b>-</b>	<b>202</b>	<b>-</b>	<b>202</b>	
<i>Total AGIE 2007–08</i>	<i>888</i>	<i>20</i>	<i>-</i>	<i>908</i>	<i>-</i>	<i>908</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

The Office of the Commonwealth Ombudsman has no significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

### **3.2.2 Analysis of budgeted financial statements**

#### **Departmental**

##### Departmental income statement

The Office of the Commonwealth Ombudsman is budgeting for a balanced operating result for the 2008–09 year.

Total revenue for the 2008–09 year is estimated to be \$19.5 million (2007–08: \$19.3 million). Revenue from government (appropriation funding) has decreased from \$17.9 million in 2007–08 to \$17.7 million in 2008–09.

Other revenue is expected to increase in 2008–09—this primarily relates to grant revenue from AusAID.

Operating expenses for 2008–09 are estimated to total \$19.5 million (2007–08: \$19.8 million). In 2007–08 the office received approval to budget for an operating loss of \$0.5 million.

##### Departmental balance sheet

The office's budgeted net asset position as at 30 June 2009 is \$2.7 million, which remains constant with the 30 June 2008 position.

The office's primary liability continues to be accrued employee entitlements. The liability is generally expected to increase in future years due to the financial impact of payroll increases.

##### Departmental statement of cash flows

The office maintains a working cash balance of \$0.2 million.

##### Departmental statement of changes in equity – summary of movement

The statement of changes in equity shows the expected movements in equity over the 2008–09 year. The budgeted balanced position in the income statement results in no expected movement in the accumulated balance.

#### **Administered**

The office has no administered items.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)**

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from government	17,881	17,737	17,749	17,857	18,050
Goods and services	1,428	1,760	1,465	1,490	1,229
Other	19	19	20	19	19
<b>Total revenue</b>	<b>19,328</b>	<b>19,516</b>	<b>19,234</b>	<b>19,366</b>	<b>19,298</b>
<b>Gains</b>					
Foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>19,328</b>	<b>19,516</b>	<b>19,234</b>	<b>19,366</b>	<b>19,298</b>
<b>EXPENSE</b>					
Employees	13,255	13,019	12,756	13,216	13,414
Suppliers	5,844	5,705	5,681	5,392	5,126
Depreciation and amortisation	729	792	797	758	758
<b>Total expenses</b>	<b>19,828</b>	<b>19,516</b>	<b>19,234</b>	<b>19,366</b>	<b>19,298</b>
<b>Surplus (Deficit) before income tax</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	150	150	150	150	150
Trade and other receivables	4,910	5,163	5,035	4,738	4,726
<b>Total financial assets</b>	<b>5,060</b>	<b>5,313</b>	<b>5,185</b>	<b>4,888</b>	<b>4,876</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	1,837	1,570	1,503	1,666	1,656
Intangibles	402	597	607	446	458
Other	211	211	211	211	211
<b>Total non-financial assets</b>	<b>2,450</b>	<b>2,378</b>	<b>2,321</b>	<b>2,323</b>	<b>2,325</b>
Assets held for sale					
<b>Total assets</b>	<b>7,510</b>	<b>7,691</b>	<b>7,506</b>	<b>7,211</b>	<b>7,201</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	3,266	3,452	3,631	3,812	3,812
Other	287	287	287	287	287
<b>Total provisions</b>	<b>3,553</b>	<b>3,739</b>	<b>3,918</b>	<b>4,099</b>	<b>4,099</b>
<b>Payables</b>					
Suppliers	583	599	546	382	382
Other	654	633	322	10	-
<b>Total payables</b>	<b>1,237</b>	<b>1,232</b>	<b>868</b>	<b>392</b>	<b>382</b>
<b>Total liabilities</b>	<b>4,790</b>	<b>4,971</b>	<b>4,786</b>	<b>4,491</b>	<b>4,481</b>
<b>Net assets</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>
<b>EQUITY<sup>a</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	2,145	2,145	2,145	2,145	2,145
Reserves	215	215	215	215	215
Retained surpluses or accumulated deficits	360	360	360	360	360
<b>Total parent entity interest</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>
<b>Total equity</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>	<b>2,720</b>
<b>Current assets</b>	<b>5,271</b>	<b>5,524</b>	<b>5,396</b>	<b>5,099</b>	<b>5,087</b>
<b>Non-current assets</b>	<b>2,239</b>	<b>2,167</b>	<b>2,110</b>	<b>2,112</b>	<b>2,114</b>
<b>Current liabilities</b>	<b>4,184</b>	<b>4,409</b>	<b>4,224</b>	<b>4,006</b>	<b>4,146</b>
<b>Non-current liabilities</b>	<b>606</b>	<b>562</b>	<b>562</b>	<b>485</b>	<b>335</b>

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

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Estimated actual 2007–08 \$'000	Budget estimate 2008–09 \$'000	Forward estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	1,611	1,765	1,178	1,203	1,229
Appropriations	18,063	17,484	17,877	18,154	18,062
Other	-	-	-	-	-
<b>Total cash received</b>	<b>19,674</b>	<b>19,249</b>	<b>19,055</b>	<b>19,357</b>	<b>19,291</b>
<b>Cash used</b>					
Employees	13,068	12,833	12,577	13,034	13,414
Suppliers	5,944	5,696	5,738	5,563	5,117
Grants	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Income taxes paid	-	-	-	-	-
<b>Total cash used</b>	<b>19,012</b>	<b>18,529</b>	<b>18,315</b>	<b>18,597</b>	<b>18,531</b>
<b>Net cash from or (used by) operating activities</b>	<b>662</b>	<b>720</b>	<b>740</b>	<b>760</b>	<b>760</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<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	720	720	740	760	760
<b>Total cash used</b>	<b>720</b>	<b>720</b>	<b>740</b>	<b>760</b>	<b>760</b>
<b>Net cash from or (used by) investing activities</b>	<b>(720)</b>	<b>(720)</b>	<b>(740)</b>	<b>(760)</b>	<b>(760)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	149	-	-	-	-
<b>Total cash received</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>149</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	59	150	150	150	150
<b>Cash at the end of the reporting period</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008–09)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	360	215	-	2,145	2,720
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>360</b>	<b>215</b>	<b>-</b>	<b>2,145</b>	<b>2,720</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Subtotal income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (deficit) for the period	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>					
<i>Distribution to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
<b>Subtotal transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2009</b>	<b>360</b>	<b>215</b>	<b>-</b>	<b>2,145</b>	<b>2,720</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

#### **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 for outputs
- employee, supplier and depreciation expenses incurred in providing outputs.

#### **Departmental revenue**

Revenue from government represents the purchase of outputs from the Office of the Commonwealth Ombudsman by the government and is recognised to the extent that it has been received into the office's bank account or is entitled to be received by the office at year end.

Revenue from other sources, representing sales from goods and services, is recognised at the time that it is earned. Other sources of revenue are services provided by the Ombudsman to the ACT Government as the ACT Ombudsman and grants received from AusAID for developing Ombudsman services in the Asia-Pacific region.

#### **Departmental expense—employees**

Employee expenses include salaries, allowances, leave entitlements, fringe benefits tax, redundancy expenses and superannuation.

#### **Departmental expense—suppliers**

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

#### **Departmental expense—depreciation and amortisation**

Depreciable property, plant and equipment and intangible assets are written off to their estimated residual values over their estimated useful life to the office.

#### **Departmental assets—financial assets**

The primary financial asset relates to appropriation receivable. 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—provisions and payables**

Provision has been made for the Office of the Commonwealth Ombudsman's liability for employee entitlements arising from services rendered by employees. This liability includes unpaid annual leave and long service leave.

Other provisions represent the cost to make good the office's premises, should it need to vacate leased office premises.

Suppliers are creditors not yet paid and other accrued expense.

Other payables represent property lease incentives that the Office of the Commonwealth Ombudsman has received which are written off over the life of the lease. In addition, some grants from AusAID are received in advance of the amounts being used by the office.