

# **Office of the Commonwealth Ombudsman**

## **Agency resources and planned performance**



# OFFICE OF THE COMMONWEALTH OMBUDSMAN

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# OFFICE OF THE COMMONWEALTH OMBUDSMAN

## Section 1: Agency overview and resources

The planned outcome of the Office of the Commonwealth Ombudsman is:

Fair and accountable administrative action by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies.

### 1.1 STRATEGIC DIRECTION

The office safeguards the community in its dealings with Australian Government agencies by:

- correcting administrative deficiencies through independent review of complaints about Australian Government administrative action
- fostering good public administration that is accountable, lawful, fair, transparent and responsive
- assisting people to resolve complaints about government administrative action
- developing policies and principles for accountability
- reviewing statutory compliance by agencies.

In 2009–10, the office will continue its focus on significant systemic issues arising from complaints, inspections and monitoring. We will also consolidate the improvements in our own structures and processes to deliver faster, better and more consistent responses to complaints. The strategic priorities of the office are to:

- be responsive to areas of need in allocating resources
- target outreach, relevant publications and communication activities to key stakeholders particularly through intermediaries
- build on the work practices and system changes to deliver improved timeliness, efficiency and effectiveness in managing complaints
- improve quality assurance and consistency in complaint handling
- improve staff training and development programs.

The office has received additional funding of \$2.5 million to continue its work in support of the Northern Territory Response. This is further discussed in Section 3.1.3.

## 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: Office of the Commonwealth Ombudsman resource statement — Budget estimates for 2009–10 as at Budget May 2009**

		Estimate of prior year amounts available in 2009–10 \$'000	Proposed at Budget = 2009–10 \$'000	Total Estimate 2009–10 \$'000	Actual Available Appropriation 2008–09 \$'000
<b>Ordinary Annual Services<sup>1</sup></b>					
<b>Departmental</b>					
Prior year departmental appropriation		4,653 <sup>4</sup>	-	4,653	4,893
Departmental appropriation		-	18,904	18,904	17,998
s. 31 relevant agency receipts <sup>3</sup>		-	1,796	1,796	1,512
<b>Total</b>		<b>4,653</b>	<b>20,700</b>	<b>25,353</b>	<b>24,403</b>
<b>Administered expenses</b>					
<b>Total</b>		-	-	-	-
<b>Total ordinary annual services</b>	<b>A</b>	<b>4,653</b>	<b>20,700</b>	<b>25,353</b>	<b>24,403</b>
<b>Other services<sup>2</sup></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		-	-	-	17
Previous years' outputs		566	800	1,366	566
<b>Total</b>		<b>566</b>	<b>800</b>	<b>1,366</b>	<b>583</b>
<b>Administered non-operating</b>					
<b>Total</b>		-	-	-	-
<b>Total other services<sup>2</sup></b>	<b>B</b>	<b>566</b>	<b>800</b>	<b>1,366</b>	<b>583</b>
<b>Total available annual appropriations</b>		<b>5,219</b>	<b>21,500</b>	<b>26,719</b>	<b>24,986</b>
<b>Special appropriations</b>					
<b>Special appropriations limited by criteria/entitlement</b>					
<b>Special appropriations limited by amount</b>					
<b>Total special appropriations</b>	<b>C</b>	-	-	-	-
<b>Total appropriations excluding special accounts</b>		<b>5,219</b>	<b>21,500</b>	<b>26,719</b>	<b>24,986</b>

Continued on next page.

**Table 1.1: Office of the Commonwealth Ombudsman resource statement — Budget estimates for 2009–10 as at Budget May 2009 (continued)**

	Estimate of prior + year amounts available in 2009–10 \$'000	Proposed at Budget = 2009–10 \$'000	Total Estimate 2009–10 \$'000	Actual Available Appropriation 2008–09 \$'000
<b>Special accounts</b>				
<b>Total special account</b>	D -	-	-	-
<b>Total resourcing</b> A+B+C+D	5,219	21,500	26,719	24,986
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for agency</b>	5,219	21,500	26,719	24,986

1 Appropriation Bill (No. 1) 2009–10.

2 Appropriation Bill (No. 2) 2009–10.

3 Own source Income.

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

Note: All figures are GST exclusive.

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

The office has no third party drawdown arrangements with other agencies.

### 1.3 BUDGET MEASURES

Budget measures relating to the Office of the Commonwealth Ombudsman are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2009–10 Budget measures**

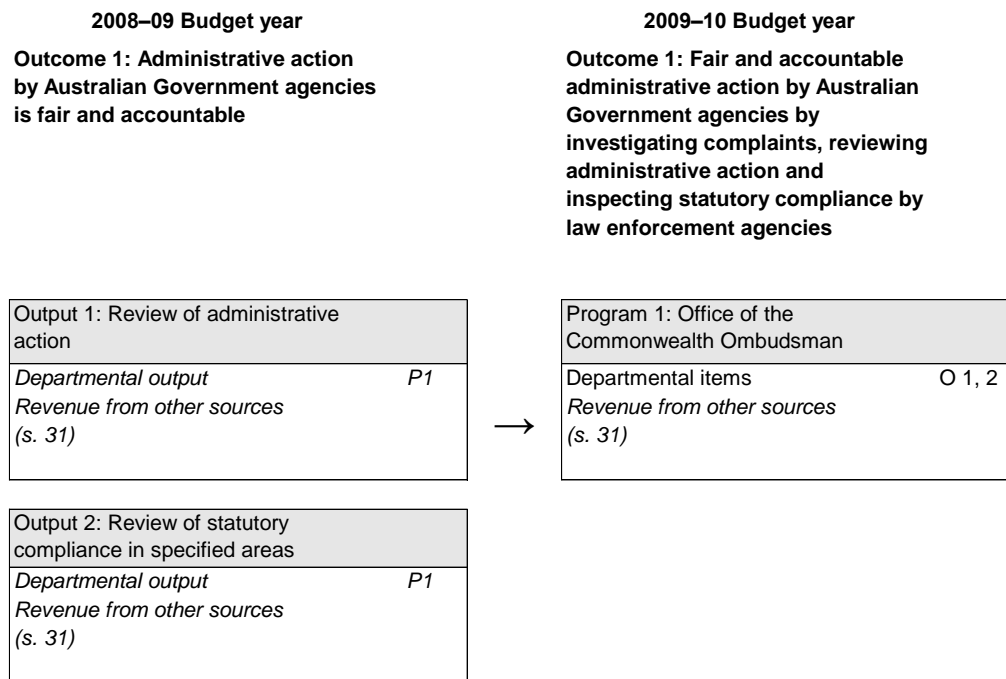
Program	2008–09 \$'000	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000
<b>Expense measures</b>					
Closing the Gap – Northern Territory – Commonwealth Ombudsman support					
1					
Departmental expenses	800	841	847	849	-
<b>Total</b>	<b>800</b>	<b>841</b>	<b>847</b>	<b>849</b>	<b>-</b>
<b>Total expense measures</b>					
Departmental	800	841	847	849	-
<b>Total</b>	<b>800</b>	<b>841</b>	<b>847</b>	<b>849</b>	<b>-</b>

Prepared on a Government Financial Statistics (fiscal) basis.

## 1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009–10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. Figure 1 outlines the transition from the 2008–09 Budget year (as at Additional Estimates) which was presented in administered items, outputs and output groups to the program reporting framework used for the 2009–10 Budget. The figure also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

**Figure 1: Transition table**



## **1.5 PROGRAMS FOR WHICH TREASURY IS APPROPRIATED UNDER THE NEW FEDERAL FINANCIAL RELATIONS (FFR) FRAMEWORK**

The Council of Australian Governments (COAG) has agreed to a new framework for Federal Financial Relations that is being implemented in a staged manner from 1 January 2009. Under these arrangements, specific purpose payments (SPPs) will now be made through combined monthly payments from the Commonwealth Treasury to and through state and territory treasuries.

No agencies in the Prime Minister and Cabinet portfolio are affected by these changes.

Further information on the Federal Financial Relations arrangements can be found in the Portfolio Budget Statements of the Treasury and in Budget Paper No. 3, Australia's Federal Relations 2009-10.

## Section 2: Outcome and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Agencies deliver programs, which are the government actions taken to deliver the stated outcomes. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Office of the Commonwealth Ombudsman in achieving government outcomes.

### 2.1 OUTCOME PERFORMANCE INFORMATION

**Outcome 1: Fair and accountable administrative action by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies**

#### 2.1.1 Outcome 1 strategy

The key strategies for the office in achieving its outcome are:

- deliver efficient and effective complaint handling with a particular focus on quality, including timeliness
- recruit, develop and retain professional and proficient staff
- nurture the working relationship with Australian Government agencies
- inspect the records of selected law enforcement activities to ensure accuracy and comprehensiveness
- conduct own motion investigations to ensure good administration
- ensure effective communication with key stakeholders and target audiences
- make submissions to parliamentary and government inquiries.

## 2.1.2 Budgeted expenses and resources

Table 2.1 provides an overview of the total expenses for Outcome 1, by program.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1: Fair and accountable administrative action by Australian Government agencies by investigating complaints, reviewing administrative action and inspecting statutory compliance by law enforcement agencies</b>	2008–09 Estimated Actual Expenses \$'000	2009–10 Estimated Expenses \$'000
<b>Program 1: Office of the Commonwealth Ombudsman</b>		
Administered expenses		
Departmental expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	17,998	18,904
Revenues from independent sources (section 31)	1,478	1,848
Expenses not requiring appropriation in the Budget year	941	121
<b>Total for Program 1</b>	<b>20,417</b>	<b>20,873</b>
<b>Outcome 1 totals by appropriation type</b>		
Administered expenses		
Departmental expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	17,998	18,904
Revenues from independent sources (section 31)	1,478	1,848
Expenses not requiring appropriation in the Budget year	941	121
<b>Total expenses for Outcome 1</b>	<b>20,417</b>	<b>20,873</b>
	2008–09	2009–10
<b>Average staffing level (number)</b>	<b>151</b>	<b>146</b>

Notes:

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

The office received a prior year output appropriation of \$0.6 million in 2008–09 relating to 2007–08 activity. The office will also receive a prior year output of \$0.8 million in 2009–10. These figures are included in the line expenses not requiring appropriation in the Budget year.

### 2.1.3 Contributions to Outcome 1

#### Program 1: Office of the Commonwealth Ombudsman

##### Program objective

- To continue the current high standards of timeliness and quality in complaint handling. The office will ensure that it responds to new areas of complaint and the increase in approaches to the office, without allowing current turnaround times for responses to increase.
- To continue to deliver reports on its inspection functions (reporting on intrusive law enforcement powers such as telephone interception) within required timeframes and at current high quality, despite increasing use of these law enforcement powers.
- To reduce staff turnover rate and enhance staff training to ensure quality standards for complaint handling and reports are maintained. The office will also ensure the continued timely effective resolution of complaints through sound working relationships with Australian Government agencies.
- Access for the public to the services of the Office of the Commonwealth Ombudsman to be maintained through targeted outreach and use of all media (such as the internet) to maintain current high levels of awareness of the office.
- Targeted submissions to parliamentary and government inquiries, to contribute to debates on key administrative law, accountability and integrity issues in government.

##### Program expenses

The office's expenses will remain fairly constant over the forward years.

	2008–09 Revised budget	2009–10 Budget	2010–011 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	19,476	20,852	20,855	20,757	20,111
Special appropriations:	-	-	-	-	-
Special account expenses:	-	-	-	-	-
Expenses not requiring appropriation in the Budget year	941	21	21	21	21
<b>Total departmental expenses</b>	<b>20,417</b>	<b>20,873</b>	<b>20,876</b>	<b>20,778</b>	<b>20,132</b>

**Program deliverables**

- There will be improved public satisfaction with the quality of services provided by the office.
- Parliament and government agencies will better understand the Commonwealth Ombudsman's role and importance.
- The number of complaints requiring long periods for resolution will decrease.
- The office will identify and report on significant problems in public administration.
- The quality and timeliness of services of the office will improve through better front line service, clearer policies, more consistent processes, improved recording and better utilisation of staff skills.

**Program key performance indicators**

- Administration of government programs will be attuned to accountability obligations and principles of good administration. While complaint numbers to the Ombudsman are unlikely to decline, administration of the areas of government exposed to this office will be improved.
- Internal complaint handling within agencies will resolve an increasing proportion of complaints. Through assistance provided by the Ombudsman, agencies' responsiveness to and capability to deal with complaints will improve. Such improvements will take a number of years to be achieved.
- There will be strict compliance with legal requirements by agencies in the use of intrusive law enforcement powers. Inspection reports will identify areas for improvement.

## **Section 3: Explanatory tables and budgeted financial statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2009–10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 EXPLANATORY TABLES**

#### **3.1.1 Movement of administered funds between years**

The office has no movement of administered items from 2008–09 to 2009–10.

#### **3.1.2 Special accounts**

The office has no special accounts.

### 3.1.3 Australian Government Indigenous Expenditure

The office will receive additional funding of \$2.5 million over three years in 2009–10 to provide continued independent oversight for the NT emergency response through delivery of effective complaint handling, the identification and resolution of systemic issues and by working collaboratively with Australian Government agencies to improve public administration and support complaint handling in relation to those agencies. This funding will terminate in 2011–12.

The office will continue its program of visits and outreach activities to promote the Ombudsman’s role to identify issues of concern to Indigenous communities about the delivery of government programs. The office will investigate complaints where appropriate and pursue systemic issues arising out of its complaint work.

**Table 3.1.3: Australian Government Indigenous Expenditure**

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000	Total Approp \$'000			
<b>Ombudsman</b>							
<b>Outcome 1</b>							
<b>administrative action by</b>							
Administered 2009–10	-	-	-	-	-	-	
<i>Administered 2008–09</i>	-	-	-	-	-	-	
Departmental 2009–10	841	800	-	1,641	-	1,641	1
<i>Departmental 2008–09</i>	202	-	-	202	-	202	1
<b>Total Outcome 2009–10</b>	<b>841</b>	<b>800</b>	<b>-</b>	<b>1,641</b>	<b>-</b>	<b>1,641</b>	
<i>Total Outcome 2008–09</i>	<i>202</i>	<i>-</i>	<i>-</i>	<i>202</i>	<i>-</i>	<i>202</i>	
<hr/>							
Total administered 2009–10	-	-	-	-	-	-	
<i>Total administered 2008–09</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
<hr/>							
Total departmental 2009–10	841	800	-	1,641	-	1,641	
<i>Total departmental 2008–09</i>	<i>202</i>	<i>-</i>	<i>-</i>	<i>202</i>	<i>-</i>	<i>202</i>	
<hr/>							
<b>Total AGIE 2009–10</b>	<b>841</b>	<b>800</b>	<b>-</b>	<b>1,641</b>	<b>-</b>	<b>1,641</b>	
<i>Total AGIE 2008–09</i>	<i>202</i>	<i>-</i>	<i>-</i>	<i>202</i>	<i>-</i>	<i>202</i>	

Note: The amount in Bill No. 2 is a prior year output. It relates to activity undertaken during 2008–09.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

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

There are no significant differences between the resource information presented in the Budget Papers and the office's Portfolio Budget Statements as a result of differences arising between whole-of-government level financial reporting and entity level financial reporting.

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

#### **Departmental comprehensive income statement**

Net cost of services in 2009–10 is estimated at \$19.0 million (2008–09: \$18.9 million). Appropriation revenue has decreased by \$0.5 million to \$18.9 million. In part this is due to the office receiving \$0.6 million in 2008–09 as a result of its acquittal of the Northern Territory Emergency Response 2007–08 no win – no loss funding. The funding acquittal also resulted in the office expecting a surplus in 2008–09 of \$0.4 million which partially offsets the \$0.7 million deficit incurred in 2007–08. The office has received approval from the Finance Minister to operate at a loss of \$0.1 million in 2009–10.

#### **Departmental balance sheet**

The office's budgeted net asset position at 30 June 2010 is \$2.7 million (2008–09 \$2.8 million). The office's primary liability continues to be accrued employee entitlements. The liability is expected to increase in future years due to the financial impact of payroll increases and changes in the long term bond rate.

#### **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 2009–10 year. Equity will decrease by \$0.1 million due to the operating loss.

#### **Capital budget statement—departmental**

The capital budget shows a continuing investment in non-financial assets. This includes purchase of new assets as well as replacement of existing assets.

#### **Statement of departmental asset movements**

This statement expands on the capital budget statement and shows by category of assets the change in value from the beginning to the end of the year. It also shows where the office has budgeted to purchase capital assets.

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
<b>EXPENSES</b>					
Employee benefits	14,578	14,854	14,739	14,480	13,778
Supplier	5,047	5,222	5,379	5,540	5,596
Depreciation and amortisation	792	797	758	758	758
<b>Total expenses</b>	<b>20,417</b>	<b>20,873</b>	<b>20,876</b>	<b>20,778</b>	<b>20,132</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	1,478	1,848	1,874	1,578	1,635
<b>Total revenue</b>	<b>1,478</b>	<b>1,848</b>	<b>1,874</b>	<b>1,578</b>	<b>1,635</b>
<b>Gains</b>					
Other gains	21	21	21	21	21
<b>Total gains</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Total own-source income</b>	<b>1,499</b>	<b>1,869</b>	<b>1,895</b>	<b>1,599</b>	<b>1,656</b>
<b>Net cost of (contribution by) services</b>	<b>18,918</b>	<b>19,004</b>	<b>18,981</b>	<b>19,179</b>	<b>18,476</b>
Appropriation revenue	19,364	18,904	18,981	19,179	18,476
<b>Surplus / (deficit)</b>	<b>446</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus / (deficit) attributable to the Australian Government</b>	<b>446</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</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 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	160	160	160	160	160
Trade and other receivables	6,121	6,148	5,786	5,774	5,772
<b>Total financial assets</b>	<b>6,281</b>	<b>6,308</b>	<b>5,946</b>	<b>5,934</b>	<b>5,932</b>
<b>Non-financial assets</b>					
Infrastructure, plant and equipment	1,036	969	1,132	1,122	1,112
Intangibles	483	493	332	344	356
Other	150	150	150	150	150
<b>Total non-financial assets</b>	<b>1,669</b>	<b>1,612</b>	<b>1,614</b>	<b>1,616</b>	<b>1,618</b>
<b>Total assets</b>	<b>7,950</b>	<b>7,920</b>	<b>7,560</b>	<b>7,550</b>	<b>7,550</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	3,703	3,882	4,063	4,063	4,063
Other	367	367	367	367	367
<b>Total provisions</b>	<b>4,070</b>	<b>4,249</b>	<b>4,430</b>	<b>4,430</b>	<b>4,430</b>
<b>Payables</b>					
Suppliers	640	587	423	423	423
Other	443	387	10	-	-
<b>Total payables</b>	<b>1,083</b>	<b>974</b>	<b>433</b>	<b>423</b>	<b>423</b>
<b>Total liabilities</b>	<b>5,153</b>	<b>5,223</b>	<b>4,863</b>	<b>4,853</b>	<b>4,853</b>
<b>Net assets</b>	<b>2,797</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>
<b>EQUITY<sup>1</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	2,013	2,013	2,013	2,013	2,013
Reserves	135	135	135	135	135
Retained surpluses or accumulated deficits	649	549	549	549	549
<b>Total parent entity interest</b>	<b>2,797</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>
<b>Total equity</b>	<b>2,797</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>
<b>Current assets</b>	<b>6,431</b>	<b>6,458</b>	<b>6,096</b>	<b>6,084</b>	<b>6,082</b>
<b>Non-current assets</b>	<b>1,519</b>	<b>1,462</b>	<b>1,464</b>	<b>1,466</b>	<b>1,468</b>
<b>Current liabilities</b>	<b>4,206</b>	<b>4,191</b>	<b>3,826</b>	<b>3,816</b>	<b>3,816</b>
<b>Non-current liabilities</b>	<b>947</b>	<b>1,032</b>	<b>1,037</b>	<b>1,037</b>	<b>1,037</b>

1 '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 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	1,512	1,796	1,503	1,559	1,635
Appropriations	19,807	18,511	18,988	18,884	18,154
<b>Total cash received</b>	<b>21,319</b>	<b>20,307</b>	<b>20,491</b>	<b>20,443</b>	<b>19,789</b>
<b>Cash used</b>					
Employees	15,047	14,469	14,357	14,307	13,595
Suppliers	5,552	5,098	5,374	5,376	5,434
<b>Total cash used</b>	<b>20,599</b>	<b>19,567</b>	<b>19,731</b>	<b>19,683</b>	<b>19,029</b>
<b>Net cash from or (used by) operating activities</b>	<b>720</b>	<b>740</b>	<b>760</b>	<b>760</b>	<b>760</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Purchase of infrastructure, property, plant and equipment	588	740	760	760	760
<b>Total cash used</b>	<b>588</b>	<b>740</b>	<b>760</b>	<b>760</b>	<b>760</b>
<b>Net cash from or (used by) investing activities</b>	<b>(588)</b>	<b>(740)</b>	<b>(760)</b>	<b>(760)</b>	<b>(760)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations – contributed equity	(132)	-	-	-	-
<b>Total cash received</b>	<b>(132)</b>	-	-	-	-
<b>Cash used</b>					
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	<b>(132)</b>	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	-	-	-	-	-
Cash at the beginning of the reporting period	160	160	160	160	160
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009–10)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2009</b>					
Balance carried forward from previous period	649	135	-	2,013	<b>2,797</b>
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>649</b>	<b>135</b>	<b>-</b>	<b>2,013</b>	<b>2,797</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus / (deficit) for the period	(100)	-	-	-	<b>(100)</b>
<b>Total income and expenses recognised directly in equity</b>	<b>549</b>	<b>135</b>	<b>-</b>	<b>2,013</b>	<b>2,697</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>Sub-total 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 2010</b>	<b>549</b>	<b>135</b>	<b>-</b>	<b>2,013</b>	<b>2,697</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental capital budget statement**

	Estimated actual 2008–09 \$'000	Budget estimate 2009–10 \$'000	Forward estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	566	800	-	-	-
Total loans	-	-	-	-	-
Special appropriations	-	-	-	-	-
<b>Total capital appropriations</b>	<b>566</b>	<b>800</b>	-	-	-
<b>Represented by</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	566	800	-	-	-
<b>Total represented by</b>	<b>566</b>	<b>800</b>	-	-	-
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally from departmental resources <sup>1</sup>	588	740	760	760	760
Assets received due to restructure (FMA s. 32)	-	-	-	-	-
<b>TOTAL</b>	<b>588</b>	<b>740</b>	<b>760</b>	<b>760</b>	<b>760</b>

1 Includes the following sources of funding: annual and prior year appropriations; donations and contributions; gifts; finance leases; internally developed assets; s. 31 relevant agency receipts; proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of asset movements—departmental**

	Other infrastructure, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	2,519	917	3,436
Accumulated depreciation/amortisation	1,483	434	1,917
<b>Opening net book balance</b>	<b>1,036</b>	<b>483</b>	<b>1,519</b>
<b>CAPITAL ASSET ADDITIONS</b>			
<b>Estimated expenditure on new or replacement assets</b>			
by purchase or internally developed	500	240	740
<b>Acquisition of entities or operations (including restructuring)</b>	-	-	-
<b>Subtotal</b>	<b>500</b>	<b>240</b>	<b>740</b>
<b>Other movements</b>			
Assets held for sale	-	-	-
Depreciation/amortisation expense	567	230	797
Disposals <sup>1</sup>	-	-	-
Other	-	-	-
<b>Subtotal</b>	<b>567</b>	<b>230</b>	<b>797</b>
<b>As at 30 June 2010</b>			
Gross book value	3,019	1,157	4,176
Accumulated depreciation/amortisation	2,050	664	2,714
<b>Closing net book balance</b>	<b>969</b>	<b>493</b>	<b>1,462</b>

1 Proceeds may be returned to the OPA.  
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 outcome. They include:

- computers, plant and equipment used in providing goods and services
- liabilities for employment entitlements
- income from our own sources
- employee, supplier and depreciation expenses incurred
- appropriation revenue.

#### **Employee benefits expense**

Employee benefits expense includes salaries, allowances, leave entitlements and superannuation.

#### **Suppliers expense**

Suppliers expense includes property, operating, travel, information technology, professional development and other administrative costs.

#### **Depreciation and amortisation expense**

Depreciable property, plant and equipment and intangible assets are written off to their estimated residual values over their estimated useful life to the office using, in most cases, the straight line method of depreciation.

#### **Own-source income**

Revenue from sales of goods and rendering of services is recognised at the time that it is earned. Own-source revenue include 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.

#### **Appropriation revenue**

Appropriation revenue is recognised when the office gains control of the appropriation.

#### **Financial assets**

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

**Non-financial assets**

Purchases of property, plant and equipment are recognised initially at cost, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The reported value represents the purchase price paid less the depreciation incurred to date in using the asset.

Other non-financial assets include prepayments.

**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.

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

Suppliers payable 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.