

Office of the Privacy Commissioner

Agency resources and planned performance

OFFICE OF THE PRIVACY COMMISSIONER

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OFFICE OF THE PRIVACY COMMISSIONER

Section 1: Agency overview and resources

The planned outcome of the Office of the Privacy Commissioner is:

The protection of individuals' personal information through investigating complaints and inquiring into potential privacy interferences, advice to government, audits of personal information handling practices, community education, and research.

1.1 STRATEGIC DIRECTION

The focus of the Office of the Privacy Commissioner (the Office) is to promote an Australian culture that respects privacy. In achieving this, the Office recognises that this right should be balanced against other important social interests, such as the free flow of information and the need for government and business to operate efficiently.

The Office of the Privacy Commissioner's program—complaint handling, compliance activities, inquiries and promotion and educational activities—is a key element in the government's social justice initiatives and reflects the government's commitment to the protection and promotion of citizens' privacy rights. The Office of the Privacy Commissioner is responsible for implementing the *Privacy Act 1988*

The exposure drafts of the Information Commissioner Bill 2009 and the Freedom of Information Amendment (Reform) Bill 2009 were released for public consultation in March 2009 and will be introduced into the Parliament in 2009. The legislation is proposed to establish the Office of the Information Commissioner (OIC) with effect from 1 January 2010 and reform the *Freedom of Information Act 1982* (with various amendments to commence on different dates).

The OIC will operate under the FMA Act as a statutory agency within the Prime Minister and Cabinet portfolio. The OIC will comprise two new independent statutory office holders, the Information Commissioner and the Freedom of Information Commissioner as well as the existing Privacy Commissioner. The Office of the Privacy Commissioner will be incorporated into the OIC. The establishment of the OIC will provide a whole-of-government clearing house for complaints, oversight and reporting on freedom of information and privacy matters. The co-location of privacy and FOI regulation will ensure the development of a consistent workable information policy.

OPC Budget Statements

Additional funding has been provided in the 2009-10 Budget to the Department of Prime Minister and Cabinet to establish the OIC. This funding will be transferred to the OIC following the passage of legislation and establishment of the entity. The resourcing for the Office of the Privacy Commissioner detailed in these PB Statements will be transferred to the OIC.

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 departmental classification.

Table 1.1: Office of the Privacy Commissioner 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
Ordinary Annual Services¹				
Departmental				
Departmental appropriation	1,317	6,411	7,728	6,444
s. 31 relevant agency receipts ³	-	850	850	850
Total	1,317	7,261	8,578	7,294
Total ordinary annual services	A 1,317	7,261	8,578	7,294
Other services²				
Total other services²	B -	-	-	-
Total available annual appropriations	1,317	7,261	8,578	7,294
Special appropriations				
Total special appropriations	C -	-	-	-
Total appropriations excluding special accounts	1,317	7,261	8,578	7,294
Special accounts				
Total special account	D -	-	-	-
Total resourcing	1,317	7,261	8,578	7,294
A+B+C+D				
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
Total net resourcing for agency	1,317	7,261	8,578	7,294

1 Appropriation Bill (No. 1) 2009–10.

2 Appropriation Bill (No. 2) 2009–10.

3 Own source income.

Note: All figures are GST exclusive.

Third party payments from and on behalf of other agencies

The Office of the Privacy Commissioner has no third party drawdown arrangements with other agencies.

1.3 BUDGET MEASURES

Budget measures relating to the Office of the Privacy Commissioner 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
Expense measures						
Prime Minister and Cabinet Portfolio – further efficiencies	1.1					
Departmental expenses		-	(50)	(50)	(50)	(50)
Total		-	(50)	(50)	(50)	(50)
Total expense measures						
Departmental		-	(50)	(50)	(50)	(50)
Total		-	(50)	(50)	(50)	(50)

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

2008–09 Budget year	2009–10 Budget year
<p>Outcome 1. An Australian culture in which privacy is respected, promoted and protected</p>	<p>Outcome 1. The protection of individuals' personal information through investigating complaints and inquiring into potential privacy interferences, advice to Government, audits of personal information handling practices, community education, and research</p>
<p>Output Group 1. Office of the Privacy Commissioner</p>	<p>Program 1. Office of the Privacy Commissioner</p>
<p>Output Group 1.1: Complaint handling, compliance and monitoring and education and promotion</p>	<p>Program 1.1: Complaint handling, compliance and monitoring and education and promotion</p>

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 Privacy Commissioner in achieving government outcomes.

2.1 OUTCOME PERFORMANCE INFORMATION

Outcome 1: The protection of individuals' personal information through investigating complaints and inquiring into potential privacy interferences, advice to Government, audits of personal information handling practices, community education, and research

2.1.1 Outcome 1 strategy

The Office of the Privacy Commissioner is responsible for implementing the *Privacy Act 1988* (the Act).

In order to achieve its outcome, the Office:

- investigates complaints from individuals about potential interferences with their privacy
- conducts audits of the personal information handling practices of Commonwealth and ACT agencies and other organisations covered by the Act
- inquires into acts or practices that may be interferences with privacy
- fosters public discussion, and undertakes and coordinates research and educational programs to promote the concept of privacy protection.

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

Outcome 1: The protection of individuals' personal information through investigating complaints and inquiring into potential privacy interferences, advice to Government, audits of personal information handling practices, community education, and research	2008–09 Estimated Actual Expenses \$'000	2009–10 Estimated Expenses \$'000
Program 1.1: Complaint handling, compliance and monitoring and education and promotion		
Departmental expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	6,444	6,411
Revenues from independent sources (section 31)	850	850
Expenses not requiring appropriation in the Budget year	474	24
Total for Program 1.1	7,768	7,285
Outcome 1 totals by appropriation type		
Departmental expenses		
Ordinary Annual Services (Appropriation Bill No. 1)	6,444	6,411
Revenues from independent sources (section 31)	850	850
Expenses not requiring appropriation in the Budget year	474	24
Total expenses for Outcome 1	7,768	7,285
	2008–09	2009–10
Average staffing level (number)	63	62

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

2.1.3 Contributions to Outcome 1

Program 1.1: Complaint handling, compliance and monitoring and education and promotion

Program objective

The Office's program objectives are to:

- investigate complaints from individuals about potential interferences with their privacy
- conduct audits of the personal information handling practices of Commonwealth and ACT agencies and other organisations covered by the Act
- inquire into acts or practices that may be interferences with privacy
- foster public discussion, and undertake and coordinate research and educational programs to promote the concept of privacy protection.

Program expenses

Employee expenses are forecast to rise moderately in the out years consistent with the new staff certified agreement. Other expenses are anticipated to offset employee expense increases.

	2008-09 Revised budget	2009-10 Budget	2010-011 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Annual departmental expenses:					
Program 1.1	7,294	7,261	7,314	7,410	7,473
Expenses not requiring appropriation in the Budget year	474	24	24	24	24
Total departmental expenses	7,768	7,285	7,338	7,434	7,497

Program deliverables

The Office's program deliverables are:

- complaint handling
- compliance activities
- inquiries and promotion and educational activities.

	2008-09 Revised budget	2009-10 Budget	2010-11 Forward year 1	2011-12 Forward year 2	2012-13 Forward year 3
Deliverables (\$'000)					
Complaint handling, compliance and monitoring and education and promotion	7,768	7,285	7,338	7,434	7,497

OPC Budget Statements

Program key performance indicators						
<ul style="list-style-type: none"> • Adherence to the Client Service Charter • Targeted information that informs the community, including business and government, of their rights and responsibilities in respect of the Office's jurisdictional responsibilities • Preparation of advice, reports and submissions on significant privacy-related issues • Audits improve the privacy practices and procedures of agencies and organisations • Number of complaints finalised within 12 months of receipt • Number of written enquiries answered within 10 days • Time taken from commencement to finalisation of audits • Number of visits to the website • Number of pages viewed on the website 						
Key performance indicators	2008–09 Revised budget	2008–09 Budget target	2009–10 Budget	2010–11 Forward year 1	2011–12 Forward year 2	2012–13 Forward year 3
Number of complaints finalised within 12 months of receipt	80%	80%	80%	80%	80%	80%
Number of written enquiries answered within 10 days	90%	90%	90%	90%	90%	90%
Time taken from commencement to finalisation of audits	6 months	6 months	6 months	6 months	6 months	6 months
Number of visits to the website	>1 million	>1 million	>1 million	>1 million	>1 million	>1 million
Number of pages viewed on the website	>5 million	>5 million	>5 million	>5 million	>5 million	>5 million

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 of the Privacy Commissioner has no administered funds.

3.1.2 Special accounts

The Office of the Privacy Commissioner has no special accounts.

3.1.3 Australian Government Indigenous Expenditure

The Office of the Privacy Commissioner has no Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Income statement

Consistent with 2008–09, total revenue is budgeted at \$7.3 million. The Office’s operating appropriation has also remained stable at \$6.4 million.

The Office’s approved operating deficit of \$0.45 million in 2008–09 arises from the requirement to undertake additional activities from the release of the Australian Law Reform Commission’s report into privacy in Australia and the need to maintain additional staffing levels. The approved operating deficit will be fully funded through retained earnings and reserves held by the Office.

Balance sheet

In 2009–10, the Office has budgeted for internally funded capital expenditure of \$25,000 for the maintenance of IT infrastructure, existing communication systems and leasehold improvements.

Departmental statement of changes in equity

The departmental statement of changes in equity reflects the approved operating loss of \$0.45 million and the associated reduction is retained earnings.

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
EXPENSES					
Employee benefits	5,550	5,225	5,352	5,415	5,511
Supplier	2,178	2,020	1,946	1,979	1,946
Depreciation and amortisation	25	25	25	25	25
Write-down and impairment of assets	5	5	5	5	5
Finance costs	10	10	10	10	10
Total expenses	7,768	7,285	7,338	7,434	7,497
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	850	850	850	850	850
Total revenue	850	850	850	850	850
Gains					
Other gains	24	24	24	24	24
Total gains	24	24	24	24	24
Total own-source income	874	874	874	874	874
Net cost of (contribution by) services	6,894	6,411	6,464	6,560	6,623
Appropriation revenue	6,444	6,411	6,464	6,560	6,623
Surplus / (deficit)	(450)	-	-	-	-
Surplus / (deficit) attributable to the Australian Government	(450)	-	-	-	-

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
ASSETS					
Financial assets					
Cash and equivalents	957	963	981	1,055	1,060
Trade and other receivables	449	449	449	449	449
Total financial assets	1,406	1,412	1,430	1,504	1,509
Non-financial assets					
Infrastructure, plant and equipment	80	80	80	80	80
Intangibles	122	137	151	149	144
Total non-financial assets	202	217	231	229	224
Total assets	1,608	1,629	1,661	1,733	1,733
LIABILITIES					
Provisions					
Employees	951	970	1,000	1,070	1,070
Other	121	123	125	127	127
Total provisions	1,072	1,093	1,125	1,197	1,197
Payables					
Suppliers	152	152	152	152	152
Other	172	172	172	172	172
Total payables	324	324	324	324	324
Total liabilities	1,396	1,417	1,449	1,521	1,521
Net assets	212	212	212	212	212
EQUITY¹					
Parent entity interest					
Contributed equity	(349)	(349)	(349)	(349)	(349)
Reserves	9	9	9	9	9
Retained surpluses or accumulated deficits	552	552	552	552	552
Total equity	212	212	212	212	212
Current assets	1,406	1,412	1,430	1,504	1,509
Non-current assets	202	217	231	229	224
Current liabilities	802	834	867	901	936
Non-current liabilities	594	583	582	620	585

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
OPERATING ACTIVITIES					
Cash received					
Goods and services	850	850	850	850	850
Appropriations	6,444	6,411	6,464	6,560	6,623
Cash from the Official Public Account	500	-	-	-	-
Net GST received from the ATO	250	250	250	250	250
Total cash received	8,044	7,511	7,564	7,660	7,723
Cash used					
Employees	5,383	5,598	5,822	6,054	6,296
Suppliers	2,600	1,882	1,699	1,507	1,397
Total cash used	7,983	7,480	7,521	7,561	7,693
Net cash from or (used by) operating activities	61	31	43	99	30
INVESTING ACTIVITIES					
Total cash received					
	-	-	-	-	-
Cash used					
Purchase of infrastructure, property, plant and equipment	25	25	25	25	25
Purchase of intangibles	115	-	-	-	-
Total cash used	140	25	25	25	25
Net cash from or (used by) investing activities	(140)	(25)	(25)	(25)	(25)
FINANCING ACTIVITIES					
Net cash from or (used by) financing activities					
	-	-	-	-	-
Net increase or (decrease) in cash held	(79)	6	18	74	5
Cash at the beginning of the reporting period	1,036	957	963	981	1,055
Cash at the end of the reporting period	957	963	981	1,055	1,060

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
Opening balance as at 1 July 2009					
Balance carried forward from previous period	552	9	-	(349)	212
Adjusted opening balance	552	9	-	(349)	212
Income and expense					
Surplus / (deficit) for the period	-	-	-	-	-
Total income and expenses recognised directly in equity	552	9	-	(349)	212
Transactions with owners					
Sub-total transactions with owners	-	-	-	-	-
Estimated closing balance as at 30 June 2010	552	9	-	(349)	212

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
CAPITAL APPROPRIATIONS					
Total capital appropriations	-	-	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ¹	140	25	25	25	25
TOTAL	140	25	25	25	25

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
As at 1 July 2009			
Gross book value	80	122	202
Accumulated depreciation/amortisation	-	-	-
Opening net book balance	80	122	202
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
by purchase or internally developed	10	15	25
Subtotal	10	15	25
Other movements			
Depreciation/amortisation expense	15	10	25
Other	5	10	15
Subtotal	20	20	40
As at 30 June 2010			
Gross book value	95	147	242
Accumulated depreciation/amortisation	15	10	25
Closing net book balance	80	137	217

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Revenue from government

Amounts appropriated for the Office's outcome for the year (adjusted for any formal additions and reductions) are recognised as revenue. Appropriations receivable are recognised at their nominal amounts.

Employee expenses and benefits

Employee expenses and benefits consist of salaries, leave entitlements, redundancy expenses and superannuation. Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Supplier expenses

Supplier expenses consist of ordinary operating costs (accommodation and utilities), administrative costs, consultants and contract costs and travel expenses.

Assets and liabilities

Assets are recognised in the Office's balance sheet when it is probably that the future economic benefits will flow and the amounts of the assets can be reliably measured.

Liabilities are recognised in the Office's balance sheet when it is probable that the future obligation will be incurred and the amounts of the liabilities can be reliably measured.

Cash and cash equivalents

Cash includes notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

Transactions with the government as owner

Amounts appropriated which are designated as 'equity injections' for a year are recognised directly into contributed equity.