

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 STATEMENT

The focus of the Office of the Privacy Commissioner is to promote an Australian culture that respects privacy. In achieving this, the Office of the Privacy Commissioner 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 Information Commissioner Bill 2009, to establish the Office of the Information Commissioner, and the Freedom of Information Amendment (Reform) Bill 2009 were introduced into the Parliament on 26 November 2009. The establishment of the Office of the Information Commissioner (OIC) is a key element of the government's freedom of information reforms. The establishment of the Office, within the Prime Minister and Cabinet portfolio, will bring together the functions of privacy protection and Freedom of Information (FOI) in the same agency. Commencement of OIC is planned for mid-2010.

The OIC will operate under the *Financial Management and Accountability Act 1997* (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

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privacy matters. The co-location of privacy and FOI regulation will ensure the development of a consistent, workable information policy.

Additional funding was provided in the 2009-10 Budget to the Department of the 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 sources. 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 2010–11 as at Budget, May 2010

	Estimate of prior + year amounts available in 2010–11 \$'000	Proposed at Budget = 2010–11 \$'000	Total estimate 2010–11 \$'000	Actual available appropriation 2009–10 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	487	-	487	-
Departmental appropriation ³	-	6,400	6,400	6,470
s. 31 Relevant agency receipts ⁴	-	850	850	850
Total	487	7,250	7,737	7,320
Total ordinary annual services	A 487	7,250	7,737	7,320
Other services				
Total other services	B -	-	-	-
Total available annual appropriations	487	7,250	7,737	7,320
Special appropriations				
Total special appropriations	C -	-	-	-
Total appropriations excluding special accounts	487	7,250	7,737	7,320
Special accounts				
Total special accounts	D -	-	-	-
Total resourcing	487	7,250	7,737	7,320
A+B+C+D	487	7,250	7,737	7,320
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	487	7,250	7,737	7,320

1 Appropriation Bill (No. 1) 2010–11.

2 Estimated adjusted balance carried from previous year for annual appropriation.

3 Includes an amount of \$0.03 million in 2010–11 for the departmental capital budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s. 31 relevant agency receipts—estimate.

Note: All figures are GST exclusive.

1.3 BUDGET MEASURES

There are no budget measures for the Office of the Privacy Commissioner in the 2010-11 Budget.

SECTION 2: OUTCOME AND PLANNED PERFORMANCE

2.1 OUTCOME AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that 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.

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.

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.

Outcome 1 expense and resource statement

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	2009–10 Estimated actual expenses \$'000	2010–11 Estimated expenses \$'000
Program 1.1: Complaint handling, compliance and monitoring, and education and promotion		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	6,470	6,375
Revenue from independent sources (s. 31)	850	850
Expenses not requiring appropriation in the Budget year	24	24
Total for Program 1.1	7,344	7,249
Total expenses for Outcome 1	7,344	7,249
	2009–10	2010–11
Average staffing level (number)	60	58

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

Contributions to Outcome 1

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

Program 1.1 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 1.1 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.

	2009–10	2010–11	2011–12	2012–13	2013–14
Program expense (\$'000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Annual departmental expenses:					
Program 1.1	7,320	7,225	7,206	7,245	7,169
Expense not requiring appropriation in the Budget year	24	24	24	24	24
Total program expense	7,344	7,249	7,230	7,269	7,193

Program 1.1 deliverables

The Office's program deliverables are:

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

	2009–10	2010–11	2011–12	2012–13	2013–14
Deliverables (\$'000)	Revised budget	Budget	Forward year 1	Forward year 2	Forward year 3
Complaint handling, compliance and monitoring, and education and promotion	7,344	7,249	7,230	7,269	7,193

Program 1.1 key performance indicators

- 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	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Number of complaints finalised within 12 months of receipt	80%	80%	80%	80%	80%
Number of written enquiries answered within 10 days	90%	90%	90%	90%	90%
Time taken from commencement to finalisation of audits	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
Number of pages viewed on the website	>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 2010–11 budget year. 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 does not have any administered funds.

3.1.2 Special accounts

The Office of the Privacy Commissioner does not have any special accounts.

3.1.3 Australian Government Indigenous expenditure

The Office of the Privacy Commissioner does not have any Indigenous-specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

The agency resource statement (Table 1.1) provides a consolidated view of all the resources available to the agency in 2010–11. This includes equity injections and appropriation receivable that is yet to be drawn down to cover payables and provisions on the balance sheet. The income statement (Table 3.2.1) shows only the operating appropriation provided in 2010–11.

3.2.2 Analysis of budgeted financial statements

Income statement

The Office of the Privacy Commissioner is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense, in 2010–11 and the forward years.

In line with net cash appropriation arrangements effective from 2010–11, revenue from government has been reduced by an amount equal to depreciation and amortisation expense. Future asset replacements are funded through the departmental capital budget detailed in Table 3.2.5.

Consistent with 2009–10, total revenue is budgeted at approximately \$7.2 million. The Office of the Privacy Commissioner operating appropriation has also remained stable at approximately \$6.4 million.

Balance sheet

The change to net cash appropriation arrangements will potentially reduce the net asset balance and equity position depending upon the level of the departmental capital budget compared to the depreciation expense.

Accumulated depreciation cash reserves were extinguished in 2009–10 in the transition to the net cash arrangements.

In 2010–11, the Office of the Privacy Commissioner has budgeted for capital expenditure of \$25,000 for the maintenance of IT infrastructure, existing communication systems and leasehold improvements.

Statement of changes in equity

The departmental statement of changes in equity reflects the approved departmental capital budget funding of \$25,000.

3.2.2 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	Estimated actual 2009–10 \$'000	Budget estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000
EXPENSES					
Employee benefits	5,284	5,345	5,416	5,508	5,387
Supplier expenses	2,020	1,889	1,799	1,746	1,791
Depreciation and amortisation	25	25	25	25	25
Finance costs	10	10	10	10	10
Write-down and impairment of assets	5	5	5	5	5
Total expenses	7,344	7,274	7,255	7,294	7,218
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	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	6,470	6,400	6,381	6,420	6,344
Revenue from government	6,470	6,375	6,356	6,395	6,319
Surplus (Deficit)	-	(25)	(25)	(25)	(25)
Surplus (Deficit) attributable to the Australian Government	-	(25)	(25)	(25)	(25)

Note: Reconciliation of operating result attributable to the agency

	2009–10 \$'000	2010–11 \$'000	2011–12 \$'000	2012–13 \$'000	2012–13 \$'000
Operating result attributable to the Australian Government	-	(25)	(25)	(25)	(25)
plus non-appropriated expenses depreciation and amortisation expenses	-	25	25	25	25
Operating result attributable to the agency	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009–10 \$'000	Budget estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	642	487	576	556	811
Trade and other receivables	303	303	303	303	28
Other	26	26	26	26	26
Total financial assets	971	816	905	885	865
Non-financial assets					
Property, plant and equipment	181	354	339	364	389
Intangibles	77	91	89	84	79
Total non-financial assets	258	445	428	448	468
Total assets	1,229	1,261	1,333	1,333	1,333
LIABILITIES					
Payables					
Suppliers	72	72	72	72	72
Total payables	72	72	72	72	72
Provisions					
Employee provisions	1,020	1,050	1,120	1,120	1,120
Other	69	71	73	73	73
Total provisions	1,089	1,121	1,193	1,193	1,193
Total liabilities	1,161	1,193	1,265	1,265	1,265
Net assets	68	68	68	68	68
EQUITY					
Parent entity interest					
Contributed equity	(349)	(324)	(299)	(274)	(249)
Reserves	9	9	9	9	9
Retained surplus or (accumulated deficit)	408	383	358	333	308
Total equity	68	68	68	68	68

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

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity—summary of movement (Budget year 2010–11)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010				
Balance carried forward from previous period	408	9	(349)	68
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	408	9	(349)	68
Surplus (deficit) for the period	(25)	-	-	-
Total comprehensive income recognised directly in equity	(25)	-	-	(25)
Transactions with owners				
<i>Contributions by owners</i>				
Appropriation (departmental capital budget)	-	-	25	25
Sub-total transactions with owners	-	-	25	25
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2011	383	9	(324)	68

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2009–10 \$'000	Budget estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	850	850	850	850	850
Appropriations	6,470	6,375	6,356	6,395	6,319
Cash from the Official Public Account	559	-	-	-	-
Net GST received	250	250	250	250	250
Total cash received	8,129	7,475	7,456	7,495	7,419
Cash used					
Employees	5,657	5,815	6,055	6,293	5,387
Suppliers	1,882	1,642	1,327	1,197	1,777
Total cash used	7,539	7,457	7,382	7,490	7,164
Net cash from (used by) operating activities	590	18	74	5	255
INVESTING ACTIVITIES					
Total cash received					
	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	121	198	10	50	25
Purchase of intangibles	17	-	-	-	-
Total cash used	138	198	10	50	25
Net cash from (used by) investing activities	(138)	(198)	(10)	(50)	(25)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	25	25	25	25
Other	-	-	-	-	-
Total cash received	-	25	25	25	25
Total cash used					
	-	-	-	-	-
Net cash from (used by) financing activities	-	25	25	25	25
Net increase (decrease) in cash held	452	(155)	89	(20)	255
Cash and cash equivalents at the beginning of the reporting period	190	642	487	576	556
Cash and cash equivalents at the end of the reporting period	642	487	576	556	811

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2009–10 \$'000	Budget estimate 2010–11 \$'000	Forward estimate 2011–12 \$'000	Forward estimate 2012–13 \$'000	Forward estimate 2013–14 \$'000
CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	-	25	25	25	25
Total capital appropriations	-	25	25	25	25
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	-	25	25	25	25
Total items	-	25	25	25	25
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation – DCB ¹	-	25	25	25	25
Funded internally from departmental resources ²	25	-	-	-	-
TOTAL	25	25	25	25	25
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	25	25	25	25	25
Total cash used to acquire assets	25	25	25	25	25

1 Includes purchase from current and previous year's departmental capital budgets.

2 Includes the following sources of funding: annual and prior year appropriations; donations and contributions; gifts; 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 (2010–11)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2010			
Gross book value	259	79	338
Accumulated depreciation/amortisation and impairment	78	2	80
Opening net book balance	181	77	258
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – appropriation equity	6	19	25
Total additions	6	19	25
Other movements			
Depreciation/amortisation expense	25	-	25
Other – gross value adjustments	186	2	188
Other	6	(7)	(1)
As at 30 June 2011			
Gross book value	457	93	550
Accumulated depreciation/amortisation and impairment	103	2	105
Closing net book balance	354	91	445

Prepared on Australian Accounting Standards basis.